

CLEOPATRA HOSPITAL COMPANY "S.A.E."

**AUDITOR'S REPORT
AND SEPARATE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2025**

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Separate financial statements for the financial year ended 31 December 2025

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Auditor's report

To the shareholders of Cleopatra Hospital Company "S.A.E."

Report on the separate financial statements

We have audited the accompanying separate financial statements of Cleopatra Hospital "S.A.E." ("The Company") which comprise the separate statement of financial position as of 31 December 2025 and the separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the separate financial statements

These separate financial statements are the responsibility of the Company's management. Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with Egyptian Accounting Standards and in light of the prevailing Egyptian laws. Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the separate financial statements that are free from material misstatements, whether due to fraud or error. Management's responsibility also includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and in light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies and accounting estimates made by management, as well as the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these separate financial statements.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Separate statement of financial position - At 31 December 2025

(All amounts are shown in Egyptian pounds)	Note	2025	2024
Assets			
Non-current assets			
Fixed assets	7	1,062,514,854	818,165,055
Right of use	8	26,291,899	31,343,663
Goodwill	9	158,516,300	158,516,300
Investments in subsidiaries	10.A	2,187,650,145	1,622,658,845
Investments in associates	10.b	2,449,990	2,449,990
Total non-current assets		3,437,423,188	2,633,133,853
Current assets			
Inventory	11	81,946,594	102,914,463
Trade receivables	12	469,313,147	367,607,947
Due from related parties	33	645,743,697	155,787,321
Debtors and other debit balances	13	85,972,829	178,468,715
Cash at banks and in hand	14	101,386,817	169,956,870
Total current assets		1,384,363,084	974,735,316
Total assets		4,821,786,272	3,607,869,169
Equity and liabilities			
Capital	20	724,725,042	722,717,101
Treasury shares	37	-	(5,589,873)
Retained earnings		1,665,304,584	1,254,673,621
Employee incentive plan	21	32,699,497	36,466,936
Reserves	22	251,457,076	188,823,089
Total equity		2,674,186,199	2,197,090,874
Liabilities			
Non-current liabilities			
Lease liabilities	19	23,218,690	30,526,476
Loans	15	264,000,000	271,340,272
Deferred tax liabilities	31	11,313,127	13,169,967
Total non-current liabilities		298,531,817	315,036,715
Current liabilities			
Bank overdrafts	16	391,325,194	302,160,797
Provisions	17	61,527,892	55,649,444
Trade and other payables	18	544,338,154	402,066,373
Due to related parties	33	540,106,345	147,201,866
Loans	15	79,500,000	67,835,068
Lease liabilities	19	15,295,855	12,380,013
Employee incentive plan	21	73,961,551	-
Other liabilities	36	4,485,000	4,485,000
Current income tax liabilities	30	138,528,265	103,963,019
Total current liabilities		1,849,068,256	1,095,741,580
Total liabilities		2,147,600,073	1,410,778,295
Total equity and liabilities		4,821,786,272	3,607,869,169

- The accompanying notes from note 1 to 38 represent an integral part of these separate financial statements.

Mr. Amr Al Rashid
Chief Financial Officer

Dr. Ahmed Ezz El dien Mahmoud
CEO and Managing Director

Mr. Ahmed Adel Badr El dien
Non-Executive Chairman of the Board of Directors

16 March 2026

- Auditor's Report attached

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Separate statement of profit or loss - For the financial year ended 31 December 2025

(All amounts are shown in Egyptian pounds)	<u>Note</u>	<u>2025</u>	<u>2024</u>
Revenues	23	2,811,425,979	2,147,845,049
(Less):			
Cost of obtaining revenue	24	<u>(1,519,394,917)</u>	<u>(1,195,881,972)</u>
Gross profit		1,292,031,062	951,963,077
(Less) add:			
General and administrative expenses	25	(396,833,447)	(276,974,897)
Expected credit losses in financial assets	27	(45,738,209)	(18,463,564)
Other expenses		(23,263,502)	(55,181,499)
Other revenues	28	10,321,154	22,752,106
Operating profit		836,517,058	624,095,223
Consulting expenses for acquisition activities		(330,000)	(904,903)
Finance income	29	8,904,151	22,234,304
Finance expenses	29	<u>(114,481,421)</u>	<u>(102,999,934)</u>
Profits for the year before income tax		730,609,788	542,424,690
Income tax	30	(176,578,940)	(127,470,474)
Deferred tax	30	<u>1,856,840</u>	<u>(2,909,024)</u>
Net profit for the year after income tax		555,887,688	412,045,192
Earnings per share (basic / diluted)	32	0.30	0.20

- The accompanying notes from note 1 to 38 represent an integral part of these separate financial statements.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Separate statement of comprehensive income - For the financial year ended 31 December 2025

(All amounts are shown in Egyptian pounds)

	<u>2025</u>	<u>2024</u>
Profit for the year	555,887,688	412,045,192
Other comprehensive income items	-	-
Comprehensive income for the year	<u>555,887,688</u>	<u>412,045,192</u>

- The accompanying notes from note 1 to 38 represent an integral part of these separate financial statements.

Cleopatra Hospital Company (S.A.E.)

Separate statement of changes in equity - For the financial year ended 31 December 2025

(All amounts are shown in Egyptian pounds)	<u>Capital</u>	<u>Treasury shares</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Employee incentive plan</u>	<u>Total</u>
Balance at 1 January 2024	722,717,101	(5,051,601)	171,962,629	926,705,520	16,076,585	1,832,410,234
Treasury shares	-	(34,758,127)	-	-	-	(34,758,127)
Dividends paid to the employees and the Board of Directors	-	-	-	(70,952,067)	-	(70,952,067)
Legal reserve	-	-	13,125,024	(13,125,024)	-	-
Employee incentive plan value	-	34,219,855	3,735,436	-	20,390,351	58,345,642
Comprehensive income for the year	-	-	-	412,045,192	-	412,045,192
Balance at 31 December 2024	722,717,101	(5,589,873)	188,823,089	1,254,673,621	36,466,936	2,197,090,874
Balance at 1 January 2025	722,717,101	(5,589,873)	188,823,089	1,254,673,621	36,466,936	2,197,090,874
Capital reduction	(824,289)	824,289	-	-	-	-
Capital Increase	2,832,230	-	-	(2,832,230)	-	-
Treasury shares	-	4,765,584	-	(4,765,584)	-	-
Dividends paid to the employees and the Board of Directors	-	-	-	(119,840,201)	-	(119,840,201)
Legal reserve	-	-	62,633,987	(20,602,259)	-	42,031,728
Employee incentive plan value	-	-	-	2,783,549	(3,767,439)	(983,890)
Comprehensive income for the year	-	-	-	555,887,688	-	555,887,688
Balance at 31 December 2025	724,725,042	-	251,457,076	1,665,304,584	32,699,497	2,674,186,199

- The accompanying notes from note 1 to 38 represent an integral part of these separate financial statements.

Cleopatra Hospital Company (S.A.E.)

Separate statement of cash flows– For the financial year ended 31 December 2025

(All amounts are shown in Egyptian pounds)

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Cash flows from operating activities			
Profit before tax		730,609,788	542,424,690
Adjustments for reconciling the profit with cash flows from operating activities:			
Fixed assets depreciation	7	69,522,890	57,018,576
Depreciation of right-of-use	8	9,365,136	8,861,765
Gain on disposal of fixed assets	27	(1,817,821)	(1,412,489)
Expected credit losses in the financial assets	26	45,738,209	18,463,564
Impairment of inventory	11	912,219	325,672
Provisions formed	17	23,263,502	55,181,499
Interests and commissions - credit facilities	28	108,900,746	97,507,895
Interest and commission - leases	28	5,580,675	5,492,039
Interest income	28	(10,276,114)	(7,205,586)
Employee incentive plan	21	132,000,000	71,072,003
Operating profits before change in assets and liabilities		1,113,799,230	847,729,628
Change in assets and liabilities			
Change in inventory	11	20,055,650	(935,676)
Changes in trade receivables	12	(147,530,260)	(161,569,627)
Change in due from related parties	32	(489,956,376)	(64,911,201)
Change in debtors and other debit balances	13	92,495,886	(52,403,163)
Change in due to related parties	32	392,904,479	116,946,758
Change in creditors and other credit balances	18	125,281,171	106,108,099
Changes in working capital		1,107,049,780	790,964,818
Utilised from the provisions	17	(17,385,055)	(9,080,576)
Income tax paid	30	(142,013,693)	(65,762,687)
Net cash flows generated from operating activities		947,651,032	716,121,555
Cash flows from investing activities			
Payments for purchase of fixed assets	7	(31,070,541)	(70,368,910)
Payments for projects in progress	7	(283,516,043)	(257,721,450)
Proceed from sale of fixed assets		2,531,714	1,655,025
Payments under purchase of fixed assets account		-	(34,813,159)
Interest collected		10,276,114	7,205,586
Payments for investments in subsidiaries		(564,991,300)	(340,008,000)
Net cash flows used in investing activities		(866,770,056)	(694,050,908)
Cash flows from financing activities			
Payment of bank overdrafts	16	(1,297,157,192)	(1,420,814,412)
Proceeds from bank overdrafts	16	1,386,321,589	1,469,982,868
Lease liabilities payments		(14,285,990)	(12,669,448)
Proceeds from loans		38,824,660	261,175,340
Payment of loans		(34,500,000)	(19,500,000)
Paid interest and commissions		(108,900,746)	(97,507,895)
Payments to purchase treasury shares		-	(34,758,127)
Paid dividends		(119,840,201)	(70,952,067)
Net cash flows generated from financing activities		(149,537,880)	74,956,259
Changes in cash and cash equivalents during the year		(68,656,904)	97,026,906
Cash and cash equivalents at the beginning of the year		170,924,146	73,897,240
Cash and cash equivalents at the end of the year	14	102,267,242	170,924,146

- The accompanying notes from note 1 to 38 represent an integral part of these separate financial statements.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

1. Introduction

Cleopatra Hospital Company (Lushin and Associates “formerly”) was incorporated as a limited partnership company on 19 July 1979, and it is located in the Arab Republic of Egypt. The Chairman of the Investment Authority issued a Decision No. 4092 of 2005 on 27 June 2005 to transfer the legal entity of Cleopatra Hospital (Lushin and Associates) from "Limited partnership" to Cleopatra Hospital Company "S.A.E." under Law No. 95 of 1992.

The Company is listed on the Egyptian Stock Exchange.

Main activity

The Company aims to establish a private hospital to provide modern health and medical services, in addition to medical care for inpatients. The Company may have a share or participate in any way in the companies and others that are engaged in activities similar to its activities in Egypt or abroad. The Company may acquire, merge or join these facilities under the supervision of the General Authority for Investment. The separate financial statements are represented in three hospitals (Cleopatra Hospital, Queens Hospital, and ElKateb Hospital).

Registered address and workplace

The Company's main office is located at 39, 41 Cleopatra Street, Heliopolis, Cairo.

Presentation currency

The presentation currency is the Egyptian pound.

These separate financial statements of the Company were approved for issuance by the Company's Board of Directors on 16 March 2026. The shareholders of the Company have the right to amend the financial statements after their issuance.

2. Company's operating environment

The Arab Republic of Egypt is exposed to some characteristics of emerging markets. Whereas the legal, tax and regulatory regulations continue to develop and are subject to frequent changes and different interpretations.

For the purpose of measurement of expected credit losses (ECLs) on the Company's financial assets, receivables and similar assets, the Company uses future data, mainly forecasts of macroeconomic variables. As is the case in any economic forecast, forecasts and the probability of their occurrence are subject to a high degree of inherent uncertainty and therefore actual results may differ significantly from projected results.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Significant accounting policies

3.1 Basis of preparation

Going concern

The financial statements have been prepared on a going concern basis. The company's current liabilities exceed its current assets, resulting in a negative net working capital position. Management has conducted a comprehensive assessment of the company's ability to continue operating as a going concern.

This assessment included the preparation and review of budgets and projected cash flows for a period of at least twelve months from the date of the financial statements. These projections were based on operational and financial assumptions that management considers reasonable, taking into account the company's historical performance and prevailing economic conditions. Based on the approved budget for 2026, management anticipates a significant improvement in the company's operating performance, with positive operating cash flows. The projections also indicate an improvement in the working capital position, with current assets expected to exceed current liabilities due to increased activity levels and improved working capital management efficiency.

The projections also highlight a strong cash position at the end of the period, in addition to the company having available and undrawn credit facilities of EGP 56 Million, which can be utilized to cover any short-term financing requirements or potential working capital shortfalls.

Management believes that the expected cash flows from operating activities, along with the available credit facilities, will be sufficient to enable the company to meet its financial obligations as they fall due during the forecast period.

Accordingly, management believes there is no material doubt that would cause uncertainty regarding the company's ability to continue as a going concern.

These separate financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) and the relevant laws, and in accordance with the historical cost, except for the following significant items in the statement of financial position:

- The employee reward plan is measured at fair value.

The significant accounting policies applied in the preparation of these separate financial statements are summarised below. Such policies have been consistently applied throughout the periods presented.

The preparation of the separate financial statements in accordance with EASs requires the use of significant accounting estimates and assumptions. It also requires management to exercise its estimates in the process of applying the Company's accounting policies. Note (4) clarifies the most significant accounting estimates and judgements applied for the preparation of the Company's separate financial statements.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Significant accounting policies (continued)

3.2 Separate financial statements

(a) Subsidiaries

Subsidiaries are those investees, that are controlled by the Company since the Company (1) has the power to direct the relevant activities of the investees that significantly affect their returns, (2) obtains, or has the right to variable returns through its shareholding in the investees, and (3) has the ability to use its power over the investees to influence the amount of the investment returns. The existence and effect of material rights, including potentially material voting rights, are taken into consideration when assessing whether the Group has power over another entity. For the right to be significant, the entity shall have the practical ability to exercise the right when decisions need to be made regarding the direction of the investee's relevant activities. The Company may have power over the investee even when it has less than a majority of the voting rights in the investee. In such a case, the Group evaluates the volume of its voting rights in relation to the volume and dispersion of the other voting rights holders' properties to determine whether it has effective power over the investee. While the protection rights of other investors, such as those related to fundamental changes in the investee's activities or that apply only in exceptional circumstances, do not prevent the Group from controlling the investee. Subsidiaries are consolidated starting from the date on which control is obtained by the Group (date of acquisition). They are de-consolidated by the Group from the date of losing control. Management issues consolidated financial statements to obtain a comprehensive view of the Group's performance.

Investments in subsidiaries are measured at cost, after deducting impairment, if any.

The acquisition method is used in accounting to account for the acquisition of subsidiaries. Identifiable assets acquired and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date, regardless of the extent of non-controlling interests.

The Company measures non-controlling interests which represent the current ownership share and grants its holder a proportionate share of the net assets in the event of liquidation on a transaction-by-transaction basis, using the non-controlling interests' proportionate share of the net assets of the acquiree. Non-controlling interests that are not an existing equity are measured at fair value.

Goodwill is measured after deducting the difference between the fair value of the net assets of the acquiree and the total consideration transferred for the acquiree, the amount of non-controlling share in the acquiree and the fair value of the share held in the entity immediately prior to the date of acquisition, after management re-evaluates whether it has identified all assets acquired, all liabilities and contingent liabilities assumed and review the appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the waived assets, equity instruments issued and liabilities incurred or assumed, including the fair value of assets or liabilities from a contingent consideration arrangements, but excluding acquisition-related costs such as advisory, legal, valuation and similar professional services. The acquisition-related transaction costs incurred on the issue of equity instruments are deducted from equity. Transaction costs incurred to issue debt as part of a business combination are deducted from the carrying amount of the debt and all other transaction costs associated with the acquisition are charged as expenses.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Significant accounting policies (continued)

3.2 Separate financial statements (continued)

(a) Subsidiaries (continued)

Subsidiaries are as follows:

	Relationship with Cleopatra Hospital Company	Country of incorporation	Ownership percentage in 2025	Ownership percentage in 2024
Alshrouk Hospital Company "S.A.E"	Subsidiary	Egypt	99.99%	99.99%
Nile Badrawy Hospital Company "S.A.E"	Subsidiary	Egypt	99.99%	99.99%
Cairo Specialized Hospital Company "S.A.E."	Subsidiary	Egypt	57.01% 20%	57.01% 20%
CHG Medical Services "S.A.E"	Subsidiary	Egypt	(Preferred shares)	(Preferred shares)
CHG Pharma for Pharmacy Management "S.A.E"	Subsidiary	Egypt	98%	98%
CHG for Hospitals Company "S.A.E"	Subsidiary	Egypt	99.99%	99.99%
Bedaya Hospital Company for Medical Centers and Hospitals "S.A.E."	Subsidiary	Egypt	60%	60%
CHG Medical Services (Sky Hospital) "S.A.E"	Subsidiary	Egypt	99.99%	99.99%
Cleopatra Heaven Company "S.A.E."	Subsidiary	Egypt	99.99%	99.99%

(b) Associates

Associates are all entities over which the Company has (either directly or indirectly) significant influence but not control. Generally, it is accompanied by an ownership percentage between 20 and 50 percent of the voting rights. Investments in associates are accounted using the cost method and are subsequently reduced by impairment, if any.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Significant accounting policies (continued)

3.3 Foreign currency translation

(a) Functional and presentation currency

The Company's functional currency is the currency of the primary economic environment in which the Company operates, which is the national currency of the Arab Republic of Egypt, the Egyptian pound. The separate financial statements are presented in Egyptian Pounds, which is the Company's presentation currency.

(b) Transactions and balances

Monetary assets and liabilities are translated into each entity's functional currency at the official exchange rate of the Central Bank of Egypt at the end of the related financial period. Foreign exchange gains and losses arising from the settlement of transactions and from the translation of monetary assets and liabilities into each entity's functional currency at the end of the year are recognized in profit or loss. Foreign exchange gains and losses relating to loans, cash and cash equivalents are presented in the separate statement of profit or loss under "finance income or expenses". Translation at year-end exchange rates does not apply to non-monetary items that are measured at historical cost. Non-monetary items that are measured at the fair value of a foreign currency, including equity investments, are translated using the exchange rates at the date on which the fair value is determined. The effects of changes in exchange rates on non-monetary items measured at fair value to a foreign currency are recorded as part of fair value profits or losses.

3.4 Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Historical cost includes all expenditures associated with acquiring the assets and bringing them to a ready-for-use condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when the use of such asset is expected to generate future economic benefits to the Company and its cost can be measured with a high degree of accuracy. The costs of minor repairs and daily maintenance are registered as expenses when incurred and the cost of replacing major parts or components of fixed asset items is capitalized and the replaced part is derecognised.

At the end of each reporting period, management assesses whether there is any indication that the fixed assets are impaired. If there is any such indication, management estimates the recoverable amount, which is determined as the asset's fair value less costs of disposal or its value in use, whichever is higher. The carrying amount is reduced to its recoverable amount and the impairment loss is recognized in the statement of profit or loss for the year. Impairment loss recognised for an asset in prior years is reversed, when necessary, if there is a change in the estimates used to determine the asset's value in use or fair value less costs of disposal.

Profits and losses of disposals are determined by comparing proceeds from sale with the carrying amount. It is recognized in the statement of profit or loss for the year within other income / (expenses).

Lands depreciation is not calculated. Depreciation of other items of fixed assets is calculated using the straight-line method to reduce their cost to their residual value over their estimated useful lives as follows:

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Accounting policies (continued)

3.4 Fixed assets (continued)

Below are the estimated depreciation rates depending on the asset's types:

Machinery, equipment and devices	10%
Furniture	15%
Buildings	2,5%
Transportations	20% to 25%
Computers	25%
Leasehold improvements	Remainder of the lease

The residual value of an asset is the estimated amount that the Company would currently receive from the disposal of the asset less the estimated costs of disposal, if the asset was still operating and in the expected condition at the end of its useful life. The assets' residual values and useful lives are reviewed and adjusted, if necessary.

3.5 Intangible assets

(a) Goodwill

Goodwill is stated at cost less impairment losses, if any. Goodwill is allocated to CGUs, or groups of CGUs, that are expected to benefit from the business combination. These units or groups of units represent the lowest level at which the Company monitors goodwill and are not larger than an operating segment.

The Company tests the impairment of goodwill at least annually, and whenever there are indications that goodwill may be impaired. The carrying amount of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and fair value less costs of disposal. The Company recognizes impairment as an expense immediately and is not reversed subsequently.

The profits or losses arising from the disposal of an operation within the CGU to which the goodwill is allocated includes the carrying amount of the goodwill associated with the disposed operation, which is generally measured on the basis of the relative values of the disposed operation and the held part of the CGU.

(b) Intangible assets other than goodwill

The Group's intangible assets other than goodwill and trade name have definite useful lives and mainly include capitalized computer software and a non-competition agreement.

Computer software licenses, trademarks and non-competition agreement acquired are capitalized on the basis of the costs incurred in acquiring and using them.

Depreciation is recognized in the statement of income on a straight-line basis over the estimated useful life from the date of its availability.

	<u>Useful lives in years</u>
Trade Name	Undefined
Software licenses	5 - 3 years

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Accounting policies (continued)

3.5 Intangible assets (continued)

(c) Impairment of non-financial assets

Intangible assets that have indefinite useful life are not subject to amortisation and are tested for impairment annually. Assets that are subject to amortisation are reviewed to determine impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognized when the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of sale or value in use. For the purposes of assessing impairment, assets are compared at the lowest level for which there are largely independent cash inflows (cash-generating units). The impairment of past non-financial assets (other than goodwill) is reviewed for a probable reversal at each reporting date.

3.6 Financial instruments

(a) Classification.

The Company classifies its financial assets in the following categories:

- Those that are subsequently measured at fair value (either through the statement of other comprehensive income or through the statement of profit or loss), and
- Those measured at amortized cost. The Company's financial assets at amortised cost consist of trade and other receivables and other treasury bills.

The classification is based on the entity's business model for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, profits and losses will be recorded in the statement of profit or loss or statement of other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition of the share investment account at fair value through the statement of other comprehensive income.

The Company reclassifies debt investments only when its business model for managing those assets changes.

(b) Recognition and de-recognition.

Regular purchases and sales of financial assets are recognised on the transaction date, the date on which the Company commits to purchase or sell the asset. Financial asset is derecognised when the contractual rights to receive cash flows from the financial asset have expired or where the Company has substantially transferred all risks and rewards of ownership.

(c) Measurement

Upon initial recognition, the Company measures the financial asset at its fair value in addition to transaction costs that directly lead to the purchase of the financial asset, in the case of financial assets not carried at fair value through the statement of profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are charged to the statement of profit or loss as expense.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Accounting policies (continued)

3.6 Financial instruments (continued)

(d) Debt instruments.

Subsequent measurement of debt instruments depends on the Company's asset management business model and the cash flow characteristics of the asset. There are three measurement categories in which the debt instruments are classified by the Company:

(e) Amortised cost:

Assets held for collection of the contractual cash flows are measured at amortised cost as these cash flows represent solely payments of principal and interest ("SPPI"). The interest income from these financial assets is classified under the financing income using the effective interest rate method. Any gain or loss resulting from de-recognition is recognised directly in the statement of profit or loss and is presented in other profits (losses), in addition to foreign exchange profits and losses. Impairment losses are presented as a separate item in the statement of profit or loss.

(f) Fair value through profit or loss:

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The profit or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the statement of profit or loss and is presented net within other profits (losses) in the period in which it arises.

(g) Equity instruments.

The Company subsequently measures all equity investments at fair value. When the Company's management chose to present the fair value profits and losses on equity investments in the statement of other comprehensive income, there is no subsequent reclassification of the fair value profits and losses in profit or loss after the derecognition of the investment. Dividends on these investments continue to be recognised in the statement of profit or loss as other income when the Company's right to receive payment is established.

The changes in the fair value of the financial assets at fair value through profit or loss are recognised within (other profits / losses) in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through statement of other comprehensive income are not recognised separately from other changes in fair value.

(i) Key measurement conditions

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of the fair value is the price in an active market. An active market is the market in which transactions for an asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial instruments traded in an active market is measured as a product of the quoted price of an individual asset or liability and the number of instruments held by the entity. This is the case even if the market's normal daily trading volume is insufficient to accommodate the quantity held, and placing orders to sell the position in a single transaction may affect the quoted price.

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Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Accounting policies (continued)

3.6 Financial instruments (continued)

The fair value of financial instruments that are not traded in an active market is determined using evaluation techniques.

Transaction costs are incremental costs directly attributable to the acquisition, issuance or de-recognition of a financial instrument. Incremental cost is the cost that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees who act as selling agents), advisors, brokers, traders, fees imposed by regulatory authorities, stock exchanges, and transfer taxes and fees. Transaction costs do not include debt premiums, discounts, financing costs, internal administrative costs, or retention costs.

Amortised cost is the amount for which a financial instrument was recognised at initial recognition less any principal payments in addition to accrued interests, and for financial assets less any provision for expected credit losses ("ECLs"). Accrued interests include the amortisation of deferred transaction costs at initial recognition and any premium or discount to the accrual amount using the effective interest rate method. Accrued interests income and accrued interests expense, including accrued coupon and discount or amortised premium (including deferred fees upon construction, if any), are not presented separately and are included in the carrying amounts of the related items in the statement of financial position.

(ii) Impairment of financial assets - credit loss provision for ECLs

The Company assesses, on a forward-looking basis, the ECL associated with debt instruments measured at amortised cost. The Company measures ECL and recognises net impairment losses on financial and contract assets at each reporting date. The measurement of ECL reflects: (i) An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Debt instruments measured at amortised cost, trade and other receivables and contract assets are presented in the balance sheet less the provision for ECL. For changes in amortised cost, net of provision of ECL, they are recognised in profit or loss

(iii) Financial assets - de-recognition

The Company de-recognises financial assets when (a) the assets are recovered or the rights to cash flows from the assets otherwise expire or (b) the Company has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring all the risks and rewards of ownership of the assets or (ii) transferring substantially all the risks and rewards of ownership or (iii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control.

Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without the need to impose additional restrictions on the sale.

(iv) Financial liabilities - measurement categories

Financial liabilities are classified as subsequently measured at amortized cost, being the contingent consideration recognized by the acquirer in a business combination and other financial liabilities classified as such at initial recognition and (2) financial guarantee contracts and loans commitments.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Accounting policies (continued)

3.6 Financial instruments (continued)

(v) Financial liabilities - derecognition

Financial liabilities are derecognised when they are terminated (i.e. when the obligation specified in the contract is fulfilled or cancelled).

3.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are recorded at AC for the following reasons: (i) They are held to collect contractual cash flows and those cash flows are SPPI, and (ii) they are not designated at FVTPL.

Interest income

Interest income is recognised on accrual basis using the effective interest method.

3.8 Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate.

3.9 Trade and other payables

These amounts represent liabilities to pay for goods and services provided to the Company before the end of the financial year that have not been paid. Trade payables are presented as current liabilities unless payment is due within 12 months after the reporting period. Trade payables are initially recognised at their fair value, and they are subsequently measured at amortised cost using the effective interest method.

3.10 Loans and bank overdrafts

Loans are initially recognized at fair value, net of transaction costs incurred. Loans are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the recoverable amount is recognized in profit or loss over the loan period using the effective interest method. Fees paid, upon establishing loan facilities are recognized as loan transaction costs to the extent that it is probable that some or all of the facilities will be withdrawn. In this case, the fees will be deferred until the withdrawal takes place. To the extent that there is no evidence that some or all of the facilities are likely to be withdrawn, the fees are capitalized as an advance payment for liquidity services and are amortized over the term of the facilities to which they relate.

Loans are derecognized from the financial position when the liability specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been amortized or transferred to another party and the consideration paid, including any non-cash assets transferred or contingent liabilities, is recognized in profit or loss as other financing income or costs.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Accounting policies (continued)

3.10 Loans and bank overdrafts (continued)

Capitalization of borrowing costs.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to be ready for their intended use or sale (qualifying assets) are capitalized as part of the costs of such assets.

Loans and advances are classified as current liabilities unless the Company has an unconditional right to defer settlement of such liabilities for at least 12 months after the date of the financial statements.

3.11 Lease liabilities

The liabilities arising from the lease are initially measured on the present value basis. The lease liabilities include the net present value of the following lease payments:

- Fixed payments (including implicitly fixed payments), less any lease incentives receivable.
- Variable lease payments based on the index or rate are initially measured using the index or rate as at the date of inception.
- Amounts expected to be paid by the Company under the residual value guarantees.
- The price of exercising the option to purchase if the Company is reasonably certain of the practice of this option.
- Payments of lease termination fines, if the term of the lease reflects that the Company exercises this option.

Extension and termination options are included in a number of the Company's property and equipment leases. These terms are used to increase operational flexibility in terms of managing the assets used in the Company's operations. The majority of the maintained extension and termination options can only be exercised by the Company not by the relevant lessor. Extension options (or the period after termination options) are only included in the lease term if it is reasonably certain that the lease will be extended (or not terminated). Lease payments made under reasonably certain extension options are also included in the liability measurement.

Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be easily determined, which is generally the case for Company's leases, the Company's incremental borrowing rate is used, which is the rate that the Company would have to pay to borrow funds needed to obtain an asset of similar value to a right-of-use asset in a similar economic environment with similar terms, guarantee, and provisions.

To determine the incremental borrowing rate, the Company shall:

- Where applicable, use recent third-party financing obtained by the Company as a starting point, adjusted to reflect changes in financing terms since the third-party financing was received.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, not included in the lease liability until it becomes effective. When changes to lease payments based on an index or rate become effective, the lease liability is reassessed and adjusted against the right of use asset.

Lease payments are allocated between the cost of the principle and the finance. The financing costs are charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Accounting policies (continued)

3.11 Lease liabilities (continued)

Payments related to short-term leases of equipment and vehicles and low-value assets' leases on a straight-line basis are recognised as an expense in profit or loss. Short-term leases are leases with a term of 12 months or less. Low-value assets include small medical equipment and small items of office equipment

The Company occasionally provides residual value guarantees in connection with equipment leases. The Company initially estimates the amounts expected to be paid under the residual value guarantees and recognises them as part of the lease liability. The expected residual value, at the commencement of the lease, is usually equal to or higher than the guaranteed amount, and therefore the Company does not expect to pay anything under the guarantees. At the end of each reporting period, the expected residual values are reviewed and, if appropriate, adjusted to reflect the actual residual values realised on the comparable assets and expectations about future prices.

Lease revenue

The Company shall lease areas to others. Lease value is recognised in the statement of profit or loss over the term of the contract.

3.12 Current and deferred income tax

The income tax for the period is calculated on the basis of the tax laws enacted at the date of the financial position. The management periodically evaluates tax position through tax returns, taking into consideration the differences that may arise from some interpretations issued by administrative or regulatory authorities, and establishes the appropriate provisions on the basis of amounts expected to be paid to the Tax Authority.

Deferred income tax is fully recognised using the liabilities method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability other than those arising from a business combination that at the time of the transaction affects neither accounting income nor taxable income.

Deferred income tax is measured using the tax rates in accordance with the prevailing law at the date of the separate statement of financial position, that are expected to be applied when the deferred income tax asset is recognized or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that there will be future taxable profits against which temporary differences can be utilised.

Current and deferred taxes are recognised in profit or loss, except for items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Accounting policies (continued)

3.13 Inventories

Inventory is assessed at the lower of actual cost and the net realisable value, whichever is lower. Cost is determined using the weighted average method and includes purchase cost and other direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less sale expenses. Provision for slow moving inventory is formed based on management's assessment of inventory movements. The cost of inventory is recognized as an expense and is included in cost of revenue.

3.14 Capital

Ordinary shares are classified as equity.

Treasury shares.

If the Company or its subsidiaries purchase the Company's equity instruments, the paid consideration that includes any additional costs attributable directly, after deducting income taxes, the equity attributable to the Company's owners will be deducted until the equity instruments are reissued, disposed of or cancelled. When those shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and related income tax effects, is included in equity attributable to the Company's owners.

3.15 Legal reserve

5% of the net profits is transferred to form legal reserve once the financial statements are approved by the Company's General Assembly. This transfer may be partially discontinued if the legal reserve reaches 50% of the issued and paid-up capital of the Company. Whenever the reserve is less than such limit, the transfer should resume. Noting that such reserve is non-distributable.

3.16 Dividends

Dividends are recognised in the separate financial statements at the period in which the dividends are approved by the Company's General Assembly of Shareholders. The Company does not record dividends liabilities until the proposed dividends are approved by the General Assembly.

3.17 Provisions

Provisions are recognized when the Company has a (legal or constructive) obligation as a result of past events. It is expected that this settlement results an outflow of the Company's resources, and It is probable that the use of resources will be required to settle this liability; and the amount of liability can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects market assessments of the time value of money and the risks specific to the obligation. The increase in the provision to reflect the passage of time is recognised as interest expense.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Accounting policies (continued)

3.18 Revenue recognition

Revenue is the revenue arising in Company's ordinary course of business. Revenue is recognised at the transaction price. The transaction price is the amount of the consideration that the Company expects to receive in exchange for transferring control of goods or services it promised to provide to the customer, excluding the amounts collected on behalf of other parties.

Revenue is measured at the fair value of the consideration received or receivable for services in the Company's normal course of business. The Company recognises revenue based on a five-step model:

Step 1. Determine the contract(s) with customer.

Step 2. Determine performance obligations in the contract.

Step 3. Determine the transaction price.

Step 4. Allocate the transaction price of the performance obligations in the contract.

Step 5 : Revenue is recognized when the Company fulfils the performance obligation. The Company fulfils the performance obligation and recognises revenue over time, if one of the following criteria is met:

- The patient simultaneously receives the benefits provided by the Company's performance.

Medical services revenue

Revenues include charges for inpatient, day patient, and outpatient medical services. The Company provides many medical services, including surgeries, medical supervision, analysis, examinations, x-rays, and outpatient services. Inpatient and day patient revenues are recognized where services are provided to patients. These services are usually provided within a short period of time. Outpatient do not involve surgical procedures and revenues are recognized on the basis of individual components when performance obligations are met. Other revenues include non-medical services provided to patients and third parties, including providing hospital catering services, emergency service contracts at companies and sites, and other third party revenues.

Revenues are measured at the transaction cost, which is the amount the Company expects to receive in exchange for the provided services. Charges for medical services are calculated and billed based on tariff agreements. When determining the transaction cost, variable consideration exists in relation to EAS 48 in the form of discounts, price amendments, and rejecting claims.

Business with insurance companies includes claims rejected for various technical or medical reasons. Accordingly, the Company expects an amount less than the originally invoiced amount. These rejections form variable consideration under EAS 48. Variable consideration is recognized as revenue to the extent that it is highly probable that the revenue reversal will not occur. Rejected claims are calculated based on historical experience of the outcome of negotiations with insurance companies. This is regularly re-evaluated based on the actual outcome of the negotiations. In accordance with EAS 48, such rejected claims are recognized as a reduction in revenues with a corresponding entry within trade receivables.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

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3. Accounting policies (continued)

3.18 Revenue recognition (continued)

Drugs sale revenue

The Company sells medicines through the hospital's pharmacy or when it is given to inpatients in the hospital. The Company recognizes drugs revenues upon transfer of control of the goods, which typically occurs when a patient receives the drug or when the drug is used for inpatient treatment - revenues are recognized at a specific point in time.

3.19 Earnings per share

Preferred shares are unredeemable and are considered as participating shares. Earnings per share is determined by dividing the profit or loss attributable to the owners of the Company by the weighted average number of participating shares outstanding during the financial year.

3.20 Employees' benefits

(a) Pension and insurance plan

The Company pays contributions to the Public Authority for Social Insurance on a mandatory basis in accordance with the provisions of Social Insurance Law. The Company had no further liabilities once its liabilities are paid. The regular contributions are recognized as periodic costs for the period in which they are due and as such are included in staff costs.

(b) Employee Share Ownership Plan

Share-based compensation benefits are provided to employees by employee share plan, employee contribution plan, executive short term incentive plan and shares appreciation rights.

The fair value of options granted under the employees share ownership plan is recognized as employees' benefits expense, with a corresponding increase in equity. The total amount that will be spent is determined by reference to the fair value of the options granted:

- Including any market performance conditions.
- De-recognition of the effect of any non-market service and performance entitlement conditions, and
- Including the effect of any non-vesting conditions.

Total expenses are recognized over the vesting period, which is the period during which all specified vesting conditions are met. At the end of each period, the entity reviews its estimates of the options expected to be granted based on the vesting terms and non-market services. It recognizes the effect of adjusting the original estimates, if any, in profit or loss, with a corresponding adjustment in equity.

On 15 October 2020, the Company's General Assembly approved the reward and incentive plan for employees, managers, and executive Board members of the Company, by undertaking to sell shares, to be effective as of 1 July 2020, and the plan was approved by the Financial Supervisory Authority at 31 December 2020.

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3. Accounting policies (continued)

3.20 Employees' benefits (continued)

(b) Employee Share Ownership Plan (continued)

The Company's Extraordinary General Assembly (EGM), held on July 17, 2025, resolved to approve—by a majority of 99.99% (988,980 shares) against a dissent of 0.01% (100,067 shares) of the total attending votes—the extension of the existing Employee Share Ownership Plan for a further seven-year period, effective from July 1, 2025. This extension is subject to the same terms and conditions, along with certain amendments and clarifications as detailed in the Scheme's regulations. The Scheme was subsequently approved by the Financial Regulatory Authority (FRA) on October 13, 2025

Plan definition:

- (1) **Commitment to Sell Shares:** A commitment has been made to sell shares equivalent to 5% of the Company's issued capital to employees, managers, and executive board members of the Company and its subsidiaries, as selected by the Supervisory Committee. A beneficiary may be selected more than once during the Scheme's term within the specified percentage. The Supervisory Committee reserves the right to include additional beneficiaries throughout the duration of the Scheme.
- (2) **Plan Duration:** The maximum term of the Scheme is seven years, commencing on July 1, 2025. During this period, each beneficiary is allocated a specific number of units as determined by the Supervisory Committee, distributed over a maximum of five annual tranches.
- (3) **Promise to Sell Agreement:** Upon selection by the Supervisory Committee, a "Promise to Sell" agreement is executed with the beneficiary. This agreement outlines the beneficiary's rights and obligations, the number of allocated units, and the start and end dates of the Vesting Period (Promise Period) for each tranche, which is one year from the date of the agreement. The Exercise Period is defined as 30 days following the expiration of the Vesting Period.
- (4) **Exercise of Rights and Settlement:** Upon the expiry of the Vesting Period, the beneficiary is entitled to exercise their rights during the Exercise Period by submitting a written notice ("Exercise Notice") to the Company and the Supervisory Committee, following receipt of a commencement notice from the Company. The Supervisory Committee shall then calculate the financial value due for each tranche, to be settled over three consecutive years. At the beginning of each of the three years, the beneficiary must notify the Company and the Committee of their preference to either:
 - A- Request the transfer of ownership of the final annual shares upon payment of the par value to the Company; or
 - B- Request the sale of the final annual shares through the Company, whereby the Company deducts the par value per share and remits the surplus to the beneficiary.
- (5) The Company reserves the discretionary right to grant the beneficiary the net financial value due for each tranche (after deducting the par value) without transferring ownership of any shares. In such cases, the beneficiary shall have no right to request a transfer of share ownership.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

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3. Accounting policies (continued)

3.20 Employees' benefits (continued)

(b) Employee Share Ownership Plan (continued)

(6) Forfeiture of Rights: In the event that the beneficiary fails to exercise their right within the designated Exercise Period, their right to the respective shares shall be forfeited.

(7) The shares allocated to the beneficiary are calculated according to the following formula:

The difference between (1) the weighted average share price (weighted average price) determined in the month prior to the allocation date and (2) the weighted average share price (weighted average price) determined in the month preceding the commencement date of exercising the right, which is the expiration date of one year since the date of each allocation (the "share price when exercising the right"). The result is then multiplied by the number of units allocated to each segment assigned to each beneficiary, and the aforementioned output is divided by the share price when exercising the right, resulting in the final number of shares allocated to the beneficiary ("the final number of shares"), with the aim of linking the economic interest of the beneficiaries of the plan with the interests of the Company's shareholders

In the event that the total result percentage of all beneficiaries' shares number of the plan exceeds 1% of the total issued shares of the Company annually at any time, the increase percentage shall be reduced to 1% in proportion to all beneficiaries of the plan who have not exercised their right on the shares allocated to them.

- (a) The final number of shares allocated to each beneficiary shall be distributed over three years according to the allocation contract for each beneficiary.
- (b) In the event that the beneficiary does not exercise his right during the period of exercising the right, his right to these shares shall be forfeited.
- (c) The issuance of the increase in the shares allocated to apply the plan is financed through a special reserve and/or issuance premium and/or retained earnings and/or by transferring the funds reserve or part thereof into shares, the value of which shall be increased by the amount of the issued capital based on a decision of the Board of Directors of the Company or the cash purchase of the Company's shares traded on the Egyptian Stock Exchange as treasury shares and distributing them according to the plan.
- (d) The fair value of these liabilities is recognised in the statement of profit or loss.
- (e) The General Assembly may terminate this plan, provided that the approval of the Financial Supervisory Authority is obtained, in a manner that does not conflict with the rights of the beneficiaries.

3.21 Segment reporting

The operating segments are reported in a manner consistent with the internal reporting provided to the Company's management operating decision-maker. The management is considered the operating decision-maker and is responsible for allocating resources and evaluating the performance of the operating segments. Knowing that the segments for which reports are issued separately have revenues, results or assets of ten percent or more of all segments.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

4. Significant accounting estimates and judgements in applying the accounting policies

The Company makes estimates and assumptions that affect the amounts recognised in the separate financial statements. Estimates and judgements are continually evaluated based on the management's past experience and some other factors, including future events that are expected to occur and that are believed to be reasonable under those circumstances. Management also makes certain judgements, apart from those involving estimates, in the process of applying accounting policies. Judgements that have a material impact on the amounts recognized in the separate financial statements and estimates that could cause a material adjustment to the carrying amount of assets and liabilities during the following financial year include:

4.1 Impairment of goodwill and other intangible assets

The Company's management evaluates goodwill and other intangible assets annually to determine any impairment in the goodwill. The carrying amount of goodwill is reduced if it is higher than the expected recoverable amount. Any losses resulting from the impairment of goodwill are charged to the statement of profit or loss and cannot be reversed later. (Note 9) provides more information in this regard.

4.2 Measurement of ECL

The measurement of ECL is a significant estimate that includes identification methodology, models, and data inputs. The following components have a significant effect on the provision for credit loss: Definition of default, PD, risks given default, and LGD, as well as macroeconomic scenario models. The Company periodically reviews and verifies the models and inputs to the models to reduce any differences between ECLs estimates and the actual historical credit losses.

The Company has used future information to measure ECL, which is primarily a result of its macroeconomic forecasting model. The significant future assumptions related to the level of ECL is GDP and inflation rate.

4.3 Useful life of fixed assets

Estimating the useful lives of items of fixed assets is a matter of judgement based on experience with similar assets. The future economic benefits included in the assets are primarily amortised through use. However, other factors, such as technical or commercial obsolescence, often result in the decrease of economic benefits of the assets. Management assesses the remaining useful lives based on the current technical conditions of the assets and the estimated period during which the assets are expected to generate benefits to the Company. The following basic factors are taken into consideration: (a) The expected use of assets; (b) The expected physical depreciation, which depends on operating factors and maintenance programme; and (c) Technical or commercial obsolescence arising from changes in market conditions.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

4. Significant accounting estimates and judgements in applying the accounting policies (continued)

4.4 Useful life of right-of-use assets

Depreciation of right-of-use assets. In determining the lease term, the management takes into account all facts and circumstances that create an economic incentive to exercise extension option or not to exercise the termination option. Extension options (or the periods after termination options) are only included in the lease term if it is reasonably certain that the lease will be extended (or not terminated).

For leases of premises and equipment, the following factors are usually the most relevant:

- If there are significant fines for terminating (or not extending), the Company is usually reasonably certain to extend (or not to terminate) the lease. Most extension options in leases (premises and equipment) are not included in the lease liability, because the Company can replace assets without significant cost or business disruption
- If any leasehold improvements are expected to have a significant residual value, the Company is usually reasonably certain to extend (or not terminate) the lease.

Otherwise, the Company takes into account other factors including previous lease periods, costs and business disruption needed to replace the leased asset. Most extension options in lease contracts of premises and equipment are not included in the lease liability, because the Company can replace assets without significant cost or business disruption.

Extension and termination options: Extension and termination options are included in a number of the Company's premises and equipment leases. These options are used to increase operational flexibility in terms of managing the assets used in the Company's operations. The majority of the maintained extension and termination options can only be exercised by the Company not by the relevant lessor.

4.5 Discount rates used to determine lease liabilities

The Company uses the incremental borrowing rate as the basis for calculating the discount rate because the interest rate implicit in the lease cannot be easily determined.

The following factors determine the use of the incremental borrowing rate: Using recent third-party financing obtained by the Company as a starting point, adjusted to reflect changes in financing terms since the third-party financing was received.

4.6 Provisions

Provisions are recognised when there is a present (legal or constructive) liability as a result of past event. It is expected that an outflow of resources embodying economic benefits required to settle the liability, and the liability can be reliably estimated. The Company reviews the provision at the date of each statement of financial position and adjusts it to show the best present estimate after taking the appropriate advice.

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(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

5. Financial risk management

5.1 Financial risk factors

The risk management function within the Company develops plans to address financial, operational and legal risks. Financial risk includes market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary function of financial risk management is to set risk limits and to ensure that any exposure to risks remains within these limits. Operational and legal risk management functions aim to ensure the proper functioning of internal policies and procedures to reduce operational and legal risks.

(a) Credit risk

The Company exposes itself to credit risk, which is the risk of exposing one party to the financial instruments to financial losses to the other party through non-performance of its obligations.

Trade receivables are presented net of provisions for ECLs. Credit risk in respect of trade receivables is limited due to the large number of customers who form the Company's customer base, which mainly consists of insured customers, companies and relevant government authorities. The financial situation of those clients shall be assessed in relation to their credit situation on an ongoing basis. The policy for uninsured patients who are not companies' clients or government authorities are required to provide an initial prepayment instead.

The Company's maximum exposure to credit risk is shown in the carrying amounts of financial assets in the separate statement of financial position.

(i) Credit risk management:

Credit risk is one of the biggest risks to the Company's business. Therefore, management carefully manages potential credit risks.

(ii) Measurement of ECL.

ECL is a probability-weighted estimate of the present value of future cash deficit (i.e., the weighted average of credit losses, with the relevant risk of default occurring in a particular time period used as weights). The measurement of ECL is unbiased and is determined by evaluating a range of potential outcomes. The measurement of ECL is based on four components that a Company uses: Probability of default, impact of default, and loss given default and discount rate.

Risk given default is an estimate of the PD at a future date, taking into consideration the expected changes in the risk after the financial period, including the repayment of principal and interest, and the expected withdrawal of the committed facilities.

For the purposes of measuring the PD, the Company defines default as a situation in which the exposure meets one or more of the following criteria:

For trade and other receivables:

- The customer meets the unwillingness to pay criteria listed below:
- Evidence of the customer's inability to pay.
- Bouncing of customer's cheques.

For disclosure purposes, the Company has fully conformed the definition of default with the definition of credit impaired assets. The definition of default mentioned above is applied to all types of financial assets of the Company.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

5. Financial risk management (continued)

5.1 Financial risk factors (continued)

(a) Credit risk (continued)

(iii) Future information included in ECL models.

The calculation of ECL includes supportable future information. The Company has identified certain key economic variables that are associated with developments in credit risk and ECL. Forecasts of economic variables (“basic economic scenario”) are provided by the Company’s [management] and provide a best estimate of the expected macroeconomic development in the future.

To measure ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles for customers over a period of 36 months before the date of each statement of financial position and corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the debit balances. The Company has identified the GDP and unemployment rate in Egypt to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in such factors.

Trade receivables are written-off when there is no reasonable expectation of recovery. Provision of credit loss for trade receivables are presented as net impairment losses within operating profit. Recoverable amounts that were previously written-off are subsequently included against the same item.

(iv) Debt investments

The Company's investments in debt instruments at 'amortized cost' are considered low risk investments and therefore the loss provision recognized during the period is limited to expected losses for a period of 12 months. Management considers “low credit risk” listed bonds to have investment grade credit ratings with at least one major rating agency. Other instruments are considered low credit risk as they have a low risk of default and the issuer has a strong ability to meet contractual cash flow liabilities in the near term.

The Company currently does not have any debt instruments with a maturity exceeds one year.

The Company regularly reviews its methodology and assumptions to reduce any difference between estimated and actual credit loss.

The following are the balances exposed to credit risk before deducting ECLs:

	<u>ECL model</u>	<u>2025</u>	<u>2024</u>
Cash at banks	General	100,750,945	169,325,287
Trade receivables	Simplified	574,776,570	427,246,310
Other receivables	General	313,848	134,543
Due from related parties	General	645,743,697	155,787,321
		<u>1,321,585,060</u>	<u>752,493,461</u>

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

5. Financial risk management (continued)

5.1 Financial risk factors (continued)

(a) Credit risk (continued)

Credit risk on receivables and bank balances is limited as follows:

- Cash balances and term deposits are held with reputable banks in Egypt that have a strong financial position, as all banks in Egypt are guaranteed by the Central Bank of Egypt (CBE).
- The carrying amount of the financial assets represents the maximum limit for credit risk.

(b) Market risk

The Company is exposed to market risk. Market risk arises from open positions in (a) currency, (b) interest rates and (c) equity instruments, all of which are subject to general and specific market movements. Management sets limits on the amount of risk that can be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside these limits in the event of more significant movements in the market.

(i) Currency risk

With regard to currency risk, management sets limits on the level of exposure to risks by currency and in aggregate for both one day positions and daily positions, which are monitored daily.

The table below summarizes the Company's exposure to foreign exchange risks at the end of the year:

	2025			2024		
	Monetary financial assets	Monetary financial liabilities	Net financial position	Monetary financial assets	Monetary financial liabilities	Net financial position
USD	89,854,302	-	89,854,302	133,033,282	-	133,033,282
EUR	15,427	-	15,427	1,083,249	-	1,083,249
GBP	15,410	-	15,410	15,900	-	15,900
Total	89,885,139	-	89,885,139	134,132,431	-	134,132,431

The following table presents the change degree in the profit or loss and equity for reasonably possible changes in the exchange rates applicable at the end of the year in relation to the functional currency of the companies of the concerned Company, with all other variables held constant:

	Impact on the profit or loss	
	2025	2024
An increase by 10% in USD (2024: Increase by 60%)	8,985,430	79,819,969
A decrease by 10% in USD (2024: Decrease by 60%)	(8,985,430)	(79,819,969)
Increase by 10% in EUR (2024: Increase by 60%)	1,543	649,949
Decrease by 10% in EUR (2024: Decrease by 60%)	(1,543)	(649,949)
Increase by 10% in GBP (2024: Increase by 60%)	1,541	9,540
Decrease by 10% in GBP (2024: Decrease by 60%)	(1,541)	(9,540)

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

5. Financial risk management (continued)

5.1 Financial risk factors (continued)

(b) Market risk (continued)

(ii) Interest rate risk

The Company is exposed to the risk effects of fluctuations in the prevailing levels of market interest rates on its financial position and its cash flows. Interest margins may increase as a result of such changes, but may reduce or cause losses if unexpected movements arise. Management monitors on a daily basis and sets limits on the level of mismatch in interest rate re-pricing that can be made.

The table below summarizes the Company's exposure to the interest rate risk. The table shows the separate amounts of the Company's financial assets and liabilities at carrying amounts, categorized by contractual interest re-pricing or maturity dates, whichever is earlier:

	<u>Less than 1 year</u>	<u>More than one year</u>	<u>Total</u>
31 December 2025			
Total financial assets	102,267,242	-	102,267,242
Total financial liabilities	<u>(501,416,904)</u>	<u>(310,437,380)</u>	<u>(811,854,284)</u>
Net interest sensitivity gap at 31 December 2025	<u>(399,149,662)</u>	<u>(310,437,380)</u>	<u>(709,587,042)</u>
31 December 2024			
Total financial assets	170,924,146	-	170,924,146
Total financial liabilities	<u>(382,375,878)</u>	<u>(323,681,073)</u>	<u>(706,056,951)</u>
Net interest sensitivity gap at 31 December 2024	<u>(211,451,732)</u>	<u>(323,681,073)</u>	<u>(535,132,805)</u>

As of December 31, 2025, if interest rates on that date are 600 basis points lower (2024: 600 basis points lower), with all other variables remaining constant, the profit for the year will be higher by EGP 42,575,223 (2024: EGP 32,107,968), mainly due to a decrease in interest expenses on variable interest-bearing liabilities.

As of December 31, 2025, if interest rates on that date are 600 basis points higher (2024: 600 basis points higher), with all other variables remaining constant, the profit for the year will be lower by EGP 42,575,223 (2024: EGP 32,107,968), mainly due to an increase in interest expenses on variable interest-bearing liabilities.

The company monitors interest rates for its financial instruments. The table below summarizes the interest rates at the relevant financial statement date based on reports reviewed by senior management. For securities, the interest rates represent the yield to maturity based on market quotes at the financial statement date.

	<u>2025</u>		<u>2024</u>	
	<u>EGP</u>	<u>USD</u>	<u>EGP</u>	<u>USD</u>
Assets				
Cash and cash equivalents - current accounts	%16 - %15	-	18%	-
Cash and cash equivalents - Term deposits	-	%3.5	-	3.75%
Liabilities				
Bank overdrafts	%21.1	-	28.35%	-
Loans	%21.65	-	28.90%	-

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

5. Financial risk management (continued)

5.1 Financial risk factors (continued)

(c) Liquidity risk

Liquidity risk is the risk that an entity will not be able to meet its obligations associated with financial liabilities. The Company is exposed to daily demands for its available cash resources. Liquidity risks are managed by the Company's Financial Department. Management monitors the monthly periodic forecasts of the Company's cash flows.

The Company seeks to maintain a stable funding base consisting primarily of loans and trade and other payables. The Company invests funds in diversified portfolios of liquid assets, to be able to meet quickly and easily the unexpected liquidity requirements. The Company's liquidity portfolio consists of cash and cash equivalents (Note 14). Management estimates that cash liquidity portfolio and bank deposits can be realised in cash within a day to meet unexpected liquidity requirements.

The liquidity position is monitored, and liquidity stress is tested regularly in accordance with a variety of scenarios covering both normal and risky market conditions by the Finance Department.

At the date of the financial statements, the company's current liabilities exceeded its current assets, resulting in a negative net working capital. Management has conducted a comprehensive assessment of the company's ability to meet its obligations as they fall due.

This assessment included the preparation and review of projected budgets and cash flows for a period of at least twelve months from the date of the financial statements. These projections were based on operational and financial assumptions that management considers reasonable, taking into account the company's historical performance and prevailing economic conditions.

Based on the approved budget for 2026, management anticipates a significant improvement in the company's operating performance, with positive operating cash flows. The projections also indicate an improved working capital position, with current assets expected to exceed current liabilities due to increased activity levels and improved working capital management efficiency.

The forecast also highlights a strong cash position at the end of the period, in addition to the company having available and undrawn credit facilities of EGP 56 Million, which can be utilized if needed to cover any short-term financing requirements or potential working capital shortfalls.

Management believes that the expected cash flows from operating activities, along with the available credit facilities, will be sufficient to enable the company to meet its financial obligations as they fall due during the forecast period.

The table below shows the liabilities at 31 December 2025 through remaining contractual maturity. The amounts disclosed in the accrual table are the contractual undiscounted cash flows, including total finance lease liabilities (before future finance fees are deducted) and total loan commitments and financial guarantees. These undiscounted cash flows differ from the amount in the statement of financial position, because the amount of the statement of financial position depends on the discounted cash flows. Financial derivatives are included in the contractual amounts that should be paid or received, unless the Company expects to close the financial derivative position before its maturity date, in such case the derivatives are included based on the expected cash flows. For the purposes of maturity analysis, embedded derivatives are not separated from mixed (separate) financial instruments.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

5. Financial risk management (continued)

5.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

When the amount due is not fixed, the disclosed amount is determined by reference to the terms at the end of the financial period. Foreign currency payments are transferred using the spot exchange rate at the end of the financial period.

The following is the analysis of the maturity of financial liabilities as at 31 December 2025:

	<u>Less than 1 year</u>	<u>More than one year</u>	<u>Total</u>
Liabilities			
Bank overdrafts	391,325,194	-	391,325,194
Loans	79,500,000	549,780,000	629,280,000
Due to related parties	540,106,345	-	540,106,345
Trade payables	544,338,154	-	544,338,154
Lease liabilities	15,295,855	35,297,641	50,593,496
Total future payments, including future payments of principal and interest	<u>1,570,565,548</u>	<u>585,077,641</u>	<u>2,155,643,189</u>

The following is the analysis of the maturity of financial liabilities as at 31 December 2024:

	<u>Less than 1 year</u>	<u>More than one year</u>	<u>Total</u>
Liabilities			
Bank overdrafts	302,160,797	-	302,160,797
Loans	67,835,068	663,426,965	731,262,033
Due to related parties	147,201,866	-	147,201,866
Trade payables	402,066,373	-	402,066,373
Lease liabilities	12,380,013	42,428,369	54,808,382
Total future payments, including future payments of principal and interest	<u>931,644,117</u>	<u>705,855,334</u>	<u>1,637,499,451</u>

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to increase returns for shareholders and provide benefits for parties who use financial statements, and to maintain an optimal capital structure to reduce the cost of capital, as consistent with other companies operating in the same field.

The Company's management monitors the capital structure using the gearing ratio, which is calculated based on net debt to the total loans ratio, advances, notes payables and due to related parties, net of cash. Total capital represents total net debt plus equity as shown in the separate statement of financial position.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

5. Financial risk management (continued)

5.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

Net debt to total invested capital ratio as at 31 December 2025 and 31 December 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Creditors and other credit balances	544,338,154	402,066,373
Bank overdrafts	391,325,194	302,160,797
Loans	343,500,000	339,175,340
Lease liabilities	38,514,545	42,906,489
Due to related parties	540,106,345	147,201,866
Less: Cash and cash equivalents	<u>(102,267,242)</u>	<u>(170,924,146)</u>
Net debt	1,755,516,996	1,062,586,719
Total equity	<u>2,674,186,199</u>	<u>2,197,090,874</u>
Total invested capital	4,429,703,195	3,259,677,593
Net debt to total invested capital	<u><u>%39.63</u></u>	<u><u>32.60%</u></u>

Loans contain certain covenants. Covenants are monitored by the management, during 2025, and the management did not notice any act of non-compliance to any of these covenants.

5.2 Fair value of financial instruments estimates

Fair value is the price that would be received from sale of asset or payment to settle a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the assumption that the transaction to sell the asset or pay the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, the most advantageous market for the asset or the liability.

The Company should be able to have access to the principal market or the most advantageous market, In the absence of principal market, the Company does not need to conduct a thorough search of all possible markets to determine the principal or the most advantageous market. However, the Company takes into consideration all information reasonably available.

The table below shows the financial assets and liabilities at fair value in the separate financial statements at 31 December 2025 within the hierarchy of the fair value, based on the input levels that are considered to be significant to the fair value measurement as a whole:

Recurring fair value measurement At 31 December 2025	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Employee reward plan at FVTPL	21	<u>106,661,048</u>	<u>-</u>	<u>-</u>	<u>106,661,048</u>
Total financial assets		106,661,048	-	-	106,661,048

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

5. Financial risk management (continued)

5.2 Fair value of financial instruments estimates (continued)

Recurring fair value measurement

At 31 December 2024

	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Employee reward plan at FVTPL	21	36,466,936	-	-	36,466,936
Total financial assets		<u>36,466,936</u>	<u>-</u>	<u>-</u>	<u>36,466,936</u>

- Level 1 - Inputs of quoted prices (unadjusted) in active markets for identical assets or liabilities, to which the Company can have access at the date of measurement.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Unobservable inputs of the asset or liability.

The Company has, on the date of preparing the separate financial statements, financial assets at fair value through profit and loss, that are listed under Level 3. The Company determines in case of necessary transfers between levels within the hierarchy for fair value measurement through the revaluation of the classification (based on the lowest input levels that are material to the fair value measurement as a whole). The Company did not make any transfers between the levels during the year.

The fair value of the current financial assets and liabilities approximate their carrying amount, after considering any impairment.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

6. Segment reporting

Business segments are reported in line with the reports provided internally to senior management, which makes decisions about allocation of resources and assessment of segment performance in the Company. Senior management is represented on the Company's Executive Management Committee. Segment reporting is provided to the Company based on each company, whereas each subsidiary is considered a separate business segment.

Below is a summary of each segment, which is presented for the year ended 31 December 2025 for each segment:

	<u>Cleopatra Hospital</u>	<u>El Kateb Hospital</u>	<u>Elimination entries</u>	<u>Total</u>
<u>Statement of financial position</u>				
Non-current assets	3,253,157,921	184,265,267	-	3,437,423,188
Current assets	1,356,551,148	95,842,745	(68,030,809)	1,384,363,084
Total assets	4,609,709,069	280,108,012	(68,030,809)	4,821,786,272
Current liabilities	1,817,042,208	100,056,859	(68,030,809)	1,849,068,256
Non-current liabilities	294,893,610	3,638,207	-	298,531,817
Total liabilities	2,111,935,818	103,695,066	(68,030,809)	2,147,600,073
<u>Statement of profit or loss:</u>				
Operating income	2,461,037,749	350,388,230	-	2,811,425,979
Cost of obtaining revenue	(1,280,600,614)	(238,794,303)	-	(1,519,394,917)
Gross profit	1,180,437,135	111,593,927		1,292,031,062
Other income and expenses	(660,423,352)	(75,720,022)	-	(736,143,374)
Profit for the year	520,013,783	35,873,905	-	555,887,688
<u>Other items</u>				
Capital expenditures	294,886,907	19,699,678	-	314,586,584
Depreciation of fixed assets	58,841,356	10,681,534	-	69,522,890

- Consolidation restrictions are mainly represented in de-recognition of balances and transactions between cash-generating units.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - For the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

6. Segment reporting (continued)

Below is a summary of each segment, which is presented for the year ended 31 December 2024 for each segment:

	<u>Cleopatra Hospital</u>	<u>El Kateb Hospital</u>	<u>Elimination entries</u>	<u>Total</u>
<u>Statement of financial position</u>				
Non-current assets	2,460,878,342	172,255,511	-	2,633,133,853
Current assets	991,536,690	69,016,175	(85,817,549)	974,735,316
Total assets	3,452,415,032	241,271,686	(85,817,549)	3,607,869,169
Current liabilities	1,083,990,200	97,568,929	(85,817,549)	1,095,741,580
Non-current liabilities	311,872,997	3,163,718	-	315,036,715
Total liabilities	1,395,863,197	100,732,647	(85,817,549)	1,410,778,295
<u>Statement of profit or loss:</u>				
Operating income	1,909,579,511	238,265,538	-	2,147,845,049
Cost of obtaining revenue	(1,018,572,568)	(177,309,404)	-	(1,195,881,972)
Gross profit	891,006,943	60,956,134	-	951,963,077
Other income and expenses	(491,111,830)	(48,806,055)	-	(539,917,885)
Profit for the year	399,895,113	12,150,079	-	412,045,192
<u>Other items</u>				
Capital expenditures	307,004,166	21,086,194	-	328,090,360
Depreciation of fixed assets	48,113,212	8,905,364	-	57,018,576

- Consolidation restrictions are mainly represented in de-recognition of balances and transactions between cash-generating units.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

7. Fixed assets

	<u>Lands</u>	<u>Machinery, equipment & devices</u>	<u>Tools & equipment</u>	<u>Furniture</u>	<u>Buildings</u>	<u>Transportations</u>	<u>Computers</u>	<u>Leasehold improvements</u>	<u>Projects in progress</u>	<u>Total</u>
At 1 January 2024										
Cost	82,878,000	279,445,633	21,744,157	34,717,716	97,061,949	27,955,145	62,751,336	42,647,406	177,052,901	826,254,243
Accumulated depreciation	-	(138,257,865)	(10,015,842)	(17,373,468)	(39,875,866)	(6,285,797)	(46,005,872)	(21,103,726)	-	(278,918,436)
Net carrying amount	82,878,000	141,187,768	11,728,315	17,344,248	57,186,083	21,669,348	16,745,464	21,543,680	177,052,901	547,335,807
Year ended 31 December 2024										
Net carrying amount at the beginning of the year	82,878,000	141,187,768	11,728,315	17,344,248	57,186,083	21,669,348	16,745,464	21,543,680	177,052,901	547,335,807
Additions	-	48,504,794	3,725,104	6,095,674	-	10,440,000	1,603,338	-	257,721,450	328,090,360
Disposals	-	(939,863)	(630,482)	(1,170,266)	(320,791)	(860,550)	(24,834)	-	-	(3,946,786)
Transferred from projects in progress	-	2,599,434	56,722	1,457,363	145,186,468	-	2,411,719	1,174,058	(152,885,764)	-
Depreciation for the year	-	(24,588,788)	(2,372,581)	(5,291,704)	(4,790,573)	(5,145,897)	(9,381,781)	(5,447,252)	-	(57,018,576)
Accumulated depreciation of disposals	-	920,428	566,755	1,142,686	202,036	860,550	11,795	-	-	3,704,250
Balance at 31 December 2024	82,878,000	167,683,773	13,073,833	19,578,001	197,463,223	26,963,451	11,365,701	17,270,486	281,888,587	818,165,055
At 31 December 2024										
Cost	82,878,000	329,609,998	24,895,501	41,100,487	241,927,626	37,534,595	66,741,558	43,821,468	281,888,587	1,150,397,820
Accumulated depreciation	-	(161,926,225)	(11,821,668)	(21,522,486)	(44,464,403)	(10,571,144)	(55,375,857)	(26,550,982)	-	(332,232,765)
Net carrying amount at the end of the year	82,878,000	167,683,773	13,073,833	19,578,001	197,463,223	26,963,451	11,365,701	17,270,486	281,888,587	818,165,055
Year ended 31 December 2025										
Net carrying amount at the beginning of the year	82,878,000	167,683,773	13,073,833	19,578,001	197,463,223	26,963,451	11,365,701	17,270,486	281,888,587	818,165,055
Additions	-	11,705,563	2,933,678	5,390,324	758,101	5,700,000	4,582,875	-	283,516,043	314,586,584
Disposals	-	(829,126)	(189,742)	(728,563)	-	(1,794,000)	(649,789)	-	(592,242)	(4,783,462)
Transferred from projects in progress	-	-	4,603,091	690,722	7,142,010	269,511	-	-	(12,705,334)	-
Depreciation for the year	-	(28,110,968)	(2,728,159)	(5,670,338)	(15,801,706)	(5,345,845)	(6,403,174)	(5,462,700)	-	(69,522,890)
Accumulated depreciation of disposals	-	829,126	189,742	606,910	-	1,794,000	649,789	-	-	4,069,567
Balance at 31 December 2025	82,878,000	151,278,368	17,882,443	19,867,056	189,561,628	27,317,606	9,814,913	11,807,786	552,107,054	1,062,514,854
At 31 December 2025										
Cost	82,878,000	340,486,435	32,242,528	46,452,970	249,827,737	41,440,595	70,944,156	43,821,464	552,107,054	1,460,200,939
Accumulated depreciation	-	(189,208,067)	(14,360,085)	(26,585,914)	(60,266,109)	(14,122,989)	(61,129,243)	(32,013,678)	-	(397,686,085)
Net carrying amount at the end of the year	82,878,000	151,278,368	17,882,443	19,867,056	189,561,628	27,317,606	9,814,913	11,807,786	552,107,054	1,062,514,854

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(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

7. Fixed assets (continued)

The capitalized interest on projects under constructions from loans amounted to EGP 139,809,839 on December 31, 2025 (2024: EGP 63,303,124).

8. Right-of-use

EAS (49) "Leases" was applied in two stages as follows:

Stage 1 relates to leases that were subject to Law (95) of 1995 that starts on or after 1 January 2019, which are leases related to medical equipment and were measured at the beginning of the contract at a value equal to the value of lease liabilities in addition to lease expenses, and were subsequently depreciated over the life of the leases using straight line method.

Stage 2 represents leases related to buildings that were subject to Law (95) of 1995 that starts on or after 1 January 2021 and were measured at carrying amount as if the standard had been applied since the beginning of the lease, but discounted using the lending rate to the lessee on the date of application, and were subsequently depreciated over the life of the lease using straight line method.

	<u>2025</u>	<u>2024</u>
Buildings		
Opening balance at the beginning of the year	31,343,663	40,065,279
Adjustments	-	140,149
Additions for the year	4,313,372	-
Depreciation for the year	<u>(9,365,136)</u>	<u>(8,861,765)</u>
Total	<u>26,291,899</u>	<u>31,343,663</u>

Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be determined, the lessee's borrowing rate is used, which is the rate that shall be paid by the lessee to borrow the funds needed for the acquisition of an equivalent value asset in a similar economic environment with similar terms and conditions.

9. Business combinations and goodwill

	<u>2025</u>	<u>2024</u>
The cost of goodwill - El Kateb Hospital	<u>158,516,300</u>	<u>158,516,300</u>
	<u>158,516,300</u>	<u>158,516,300</u>

Goodwill

To calculate goodwill, El Kateb Hospital is considered as a separate cash-generating unit, and the goodwill resulting from the acquisition was allocated.

Recoverable amount of cash-generating unit is estimated by calculating the value in use, using pre-tax cash flows based on financial budgets approved by management, which cover a period of five years maximum. The management determines the specific assumptions of cash flow forecasts based on revenues, past experience and expectations of the market.

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9. Business combinations and goodwill (continued)

Estimates have been made in terms of sales growth, operating costs and expected total profit. Future capital expenditures for future renovation plans have been taken into consideration for the same existing assets. The discount rate and the long-term growth rate have been used to reflect the specific risks associated with the activity and sector of the economy.

The following table describes the key assumptions regarding the separate cash-generating units that have goodwill thereof:

	El Kateb Hospital Business
2025	
Average sales growth rate	%17
Discount rate before tax	%20
Long-term discount rate	%16
2024	El Kateb Hospital Business
Average sales growth rate	44%
Discount rate before tax	25.1%
Long-term discount rate	17%

The management has determined the value assigned to each of the above key assumptions as follows:

Assumption	The approach used to determine values
Sales growth rate	Average annual growth rate over the five-year assumption period; based on past performance and management's expectations for market development.
Discount rates before tax	The discount rate, i.e. Weighted Average Cost of Capital (WACC), is applied to specific business fields based on assumptions regarding interest rates, tax rates and risk premiums and is recalculated to a pre-tax rate ("pre-tax discount rate").

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10. Investments in associates and subsidiaries

(a) Investments in subsidiaries

	Investment %	Country of origin	2025	2024
CHG SKY Hospital S.A.E.	99,99%	Egypt	1,050,000,000	485,008,700
Nile Badrawi Hospital Company S.A.E.	99,99%	Egypt	380,004,947	380,004,947
Al-Shorouk Hospital Company S.A.E.	99,99%	Egypt	374,142,000	374,142,000
Cairo Specialised Hospital Company S.A.E.	57,01%	Egypt	153,712,998	153,712,998
Bedaya El Gedida Company for Medical Centers and Hospitals S.A.E.	60%	Egypt	119,482,000	119,482,000
Cleopatra Haven hospital Company S.A.E.	99,99%	Egypt	80,000,700	80,000,700
CHG for hospitals S.A.E.	99,99%	Egypt	30,000,000	30,000,000
CHG Pharma for Pharmacies Management Company S.A.E.	98%	Egypt	245,000	245,000
	20% (preferred shares)			
CHG for Medical Services Company S.A.E.		Egypt	62,500	62,500
			2,187,650,145	1,622,658,845

Below are the significant summarised financial information of the subsidiaries at 31 December :

31 December 2025	Total Assets	Total equity	Total Revenues	Profit (loss) for the year
CHG SKY Hospital S.A.E.	3,996,178,555	906,796,767	-	(133,923,132)
Nile Badrawi Hospital Company S.A.E.	1,135,003,299	523,435,791	1,056,561,565	82,136,454
Al-Shorouk Hospital Company S.A.E.	954,703,937	715,934,174	1,074,090,828	184,893,206
Cairo Specialised Hospital Company S.A.E.	1,417,153,265	935,810,254	1,579,063,693	284,817,902
Bedaya El Gedida Company for Medical Centers and Hospitals S.A.E.	205,989,159	120,906,537	166,098,826	17,119,359
Cleopatra Heaven Company S.A.E.	629,732,510	(45,659,951)	404,518,175	(60,597,347)
CHG for hospitals S.A.E.	48,376,245	46,142,703	3,789,997	1,955,327
CHG Pharma for Pharmacies Management Company S.A.E.	37,487,686	(10,244,194)	117,727,831	(1,472,098)
CHG for Medical Services Company S.A.E.	70,177,785	(9,038,971)	205,154,327	36,739,385
31 December 2024	Total Assets	Total equity	Total Revenues	Profit (loss) for the year
Nile Badrawi Hospital Company S.A.E.	878,424,729	454,090,559	827,017,546	103,511,337
Al-Shorouk Hospital Company S.A.E.	729,959,774	539,067,021	814,164,721	127,093,670
Cairo Specialised Hospital Company S.A.E.	1,048,923,920	660,680,801	1,178,975,455	200,761,990
CHG SKY Hospital S.A.E.	2,345,976,181	475,719,899	-	(10,489,046)
Bedaya El Gedida Company for Medical Centers and Hospitals S.A.E.	181,734,658	103,787,059	114,914,355	5,653,515
Cleopatra Heaven Company S.A.E.	256,230,204	14,937,396	248,166,411	(35,009,869)
CHG for hospitals S.A.E.	48,895,323	44,187,376	18,300,866	12,962,655
CHG Pharma for Pharmacies Management Company S.A.E.	31,011,389	(8,772,095)	79,108,108	(992,473)
CHG for Medical Services Company S.A.E.	71,962,389	(45,778,356)	152,817,082	12,724,888

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10. Investments in associates and subsidiaries (continued)

(b) Investments in associates

	<u>2025</u>	<u>2024</u>
Egypt Healthcare Facilities Services for facility management	2,449,990	2,449,990
	2,449,990	2,449,990
Amounts recognized in the profit or loss:		
Egypt Healthcare Facilities Services for facility management	-	-
	<u>-</u>	<u>-</u>

The statement below shows the Company's associates at 31 December 2025, and the capital of the below associates consists of ordinary shares only, in which the Company contributes directly.

<u>Name of the Company</u>	<u>Head office place/ Country of incorporation</u>	<u>Measurement</u>	<u>%</u>
Egypt Healthcare Facilities Services for facility management	Egypt	Cost	49%

Below are the summarised financial information of associates as at:

31 December 2025	<u>Total Assets</u>	<u>Total Equity</u>	<u>Total revenues</u>	<u>Profits for the year</u>
Egypt Healthcare Facilities Services for facility management	110,752,388	39,039,183	252,707,586	20,542,219
31 December 2024	<u>Total Assets</u>	<u>Total Equity</u>	<u>Total revenues</u>	<u>Profits for the year</u>
Egypt Healthcare Facilities Services for facility management	49,323,632	19,299,970	165,185,924	9,610,280

The Company's main activity is providing medical cleaning services.

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11. Inventory

	<u>2025</u>	<u>2024</u>
Medical supply inventory	44,149,181	59,196,895
Medicine inventory	33,321,903	40,152,107
Maintenance and spare parts inventory	2,619,283	2,172,416
Hospitality inventory	1,860,489	625,080
Stationery inventory	853,078	779,734
Food and beverage inventory	480,799	414,151
	83,284,733	103,340,383
Less: Impairment of inventory	(1,338,139)	(425,920)
	<u>81,946,594</u>	<u>102,914,463</u>

The movement in impairment is as follows:

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	425,920	100,248
Formed during the year	912,219	358,836
No longer required during the year	-	(33,164)
Balance at the end of the year	<u>1,338,139</u>	<u>425,920</u>

12. Trade receivables

	<u>2025</u>	<u>2024</u>
Due from customers	554,982,559	419,739,098
Revenue from inpatients	19,794,011	7,507,212
	574,776,570	427,246,310
Less:		
ECLs of trade receivables	(105,463,423)	(59,638,363)
	<u>469,313,147</u>	<u>367,607,947</u>

Revenue from inpatients includes revenue that has not been billed at the financial position date for their residency while the medical services' procedures have not been completed. This revenue is calculated after deducting the amounts collected in advance during their residency.

The Company applies the EAS 47 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the payment profiles for customers over a period of 36 months before the date of each statement of financial position and corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the debit balances. The Group has identified the GDP and the unemployment rate in countries in which it sells its goods and services to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

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(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

12. Trade receivables (continued)

Credit loss provision for trade receivables is determined according to the provision matrix presented in the table below. The provision matrix is based on the number of days an asset is past due, while being adjusted.

Trade receivables	31 December 2025			Net Carrying amount
	Loss rate	Gross carrying amount	Lifetime ECL	
- Current until a default for less than 30 days	%0.2	323,822,747	601,119	323,221,628
- Default for a period from 30 to 60 days	%1	56,147,797	646,837	55,500,960
- Default for a period from 61 to 90 days	%3	31,241,283	1,037,909	30,203,374
- Default for a period from 91 to 120 days	%8	18,841,870	1,502,479	17,339,391
- Default for a period from 121 to 360 days	%25	52,570,974	12,937,724	39,633,250
- Default for a period from 361 to 720 days	%41	5,791,107	2,376,563	3,414,544
- Default for a period more than 720 days	%100	86,360,792	86,360,792	-
Total		574,776,570	105,463,423	469,313,147

Trade receivables	31 December 2024			Net Carrying amount
	Loss rate	Gross carrying amount	Lifetime ECL	
- Current until a default for less than 30 days	0.2%	285,709,864	469,197	285,240,667
- Default for a period from 30 to 60 days	2%	35,965,673	661,995	35,303,678
- Default for a period from 61 to 90 days	6%	12,863,612	752,692	12,110,920
- Default for a period from 91 to 120 days	11%	15,861,540	1,794,083	14,067,457
- Default for a period from 121 to 360 days	34%	28,488,559	9,581,359	18,907,200
- Default for a period from 361 to 720 days	50%	3,946,333	1,968,308	1,978,025
- Default for a period more than 720 days	100%	44,410,729	44,410,729	-
Total		427,246,310	59,638,363	367,607,947

The movement of ECL of trade receivables balances is as follows:

	2025	2024
Balance at the beginning of the year	59,638,363	40,969,078
Formed during the year	52,189,444	22,185,829
No longer required during the year	(6,364,384)	(3,516,544)
Balance at the end of the year	105,463,423	59,638,363

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(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

13. Debtors and other debit balances

	<u>2025</u>	<u>2024</u>
Advances to suppliers	66,566,465	91,980,609
Prepaid expenses	12,474,001	22,392,202
Insurances with third parties	5,048,669	4,860,669
Withholding tax	543,450	1,256,677
Employees' advances and loans	313,848	134,543
Other receivables	1,026,396	57,844,015
	<u>85,972,829</u>	<u>178,468,715</u>

14. Cash and cash equivalents

	<u>2025</u>	<u>2024</u>
Term deposits	89,113,520	135,256,200
Current accounts	11,637,425	34,069,087
Cash in hand	1,516,297	1,598,859
Less:		
ECLs of cash at banks	(880,425)	(967,276)
	<u>101,386,817</u>	<u>169,956,870</u>

The movement of ECL of cash at banks is as follows:

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	967,276	1,172,997
Formed during the year	991,727	573,408
No longer required during the year	(1,078,578)	(779,129)
Balance at the end of the year	<u>880,425</u>	<u>967,276</u>

Term deposits amounting to EGP 89,113,520 at 31 December 2025 (2024: EGP 135,256,200) denominated in local banks in US dollars and paid within one month of the deposit date and subject to a fixed annual return of %3.5.

Current accounts deposited in Egyptian pounds are subject to a fixed annual rate of 15% to 16% (2024: 18%).

Classification within cash and cash equivalents

Term deposits are held at banks and presented as cash and cash equivalents if they are matured within three months or less from the date of placement and are repayable within 24 hours notice without loss of interest. Treasury bills listed under cash and cash equivalents have original maturities not exceeding three months from the date of acquisition, and are readily convertible into known cash amounts and are subject to insignificant risks of changes in value.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents before deducting ECL	102,267,242	170,924,146
Balance at the end of the year	<u>102,267,242</u>	<u>170,924,146</u>

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14. Cash at banks and on hand (continued)

Time deposits are held with banks and are presented as cash and cash equivalents if they are due for three months or less from the date of deposit and are redeemable with 24-hour notice without loss of interest.

The Company's cash and balances at banks are held with reputable financial institutions with credit ratings of Moody's and Standard & Poor's, from B3 and up to CAA1.

The table below shows an analysis of liabilities from finance activities and movements in the Company's liabilities from finance activities for each of the periods presented. The items of these liabilities are those that are recorded as finance in the statement of cash flows:

<u>Net debt settlement</u>	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	102,267,242	170,924,146
Less:		
Lease liabilities	(38,514,545)	(42,906,489)
Bank overdrafts	(391,325,194)	(302,160,797)
Loans	(343,500,000)	(339,175,340)
Total	(671,072,497)	(513,318,480)

	<u>Leases</u>	<u>Cash at banks</u>	<u>Bank overdrafts</u>	<u>Loans</u>	<u>Net</u>
Net debt at 31 December 2024	42,906,489	(170,924,146)	302,160,797	339,175,340	513,318,480
Cash flows	(14,285,990)	68,656,904	89,164,397	4,324,660	147,859,971
Change in leases	4,313,371	-	-	-	4,313,371
Interest expense	5,580,675	-	-	-	5,580,675
Net debt at 31 December 2025	38,514,545	(102,267,242)	391,325,194	343,500,000	671,072,497

	<u>Leases</u>	<u>Cash at banks</u>	<u>Bank overdrafts</u>	<u>Loans</u>	<u>Net</u>
Net debt at 31 December 2023	49,943,749	(73,897,240)	252,992,341	97,500,000	326,538,850
Cash flows	(12,669,448)	(97,026,906)	49,168,456	241,675,340	181,147,442
Change in leases	140,149	-	-	-	140,149
Interest expense	5,492,039	-	-	-	5,492,039
Net debt at 31 December 2024	42,906,489	(170,924,146)	302,160,797	339,175,340	513,318,480

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15. Loans

	31 December 2025		
	Current portion	Non-current portion	Total
Loans	79,500,000	264,000,000	343,500,000
Total	79,500,000	264,000,000	343,500,000
	31 December 2024		
	Current portion	Non-current portion	Total
Loans	67,835,068	271,340,272	339,175,340
Total	67,835,068	271,340,272	339,175,340

- On 27 October 2021, Cleopatra Hospital Company signed a contract for a medium-term loan with Kuwait Fund House, with a total amount of EGP 145 million, with a return of 0,65%, in addition to the lending rate announced by the Central Bank of Egypt.
- On 10 August 2022, Cleopatra Hospital Company, Nile Badrawy Hospital Company, and Cairo Specialized Hospital Company signed an appendix to the loan contract from Kuwait Fund Bank. The following are the most significant contracting terms:
- Increasing the financing amount to EGP 285 million, and it will be divided among the companies as follows:

Cleopatra Hospital Company	EGP 45 million
Cairo Specialized Hospital Company	EGP 90 million
Nile Badrawy Hospital Company	EGP 150 million

The purpose of the loan is to finance and/or refinance the capital needs and renovate the Group's specialized hospitals starting from 2021, including medical equipment, medical beds, medical and non-medical furniture, as well as internal development of movables (final finishes, electromechanical equipment and power station).

On 10 May 2023, the financing amount was redivided among the companies as follows, provided that the maximum amount of financing available amounts to EGP 340 million, and the aforementioned amount shall not be exceeded at any time throughout the contract period.

Cleopatra Hospital Company	EGP 100 million
Cairo Specialized Hospital Company	EGP 90 million
Nile Badrawy Hospital Company	EGP 150 million

On 18 January 2024, the financing amount was redivided among the companies as follows, provided that the maximum amount of financing available amounts to EGP 740 million, and the aforementioned amount shall not be exceeded at any time throughout the contract period.

Cleopatra Hospital Company	EGP 500 million
Cairo Specialized Hospital Company	EGP 90 million
Nile Badrawy Hospital Company	EGP 150 million

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15. Loans (continued)

On 17 April 2024, the financing amount was redivided among the companies as follows, provided that the maximum amount of financing available amounts to EGP 740 million, and the aforementioned amount shall not be exceeded at any time throughout the contract period.

Cleopatra Hospital Company	EGP 400 million
Cairo Specialized Hospital Company	EGP 90 million
Nile Badrawy Hospital Company	EGP 250 million

- The purpose of the loan is to finance and/or refinance the capital needs and refurbishment of the group's hospitals starting from 2021, including medical equipment, medical and non-medical beds, medical and non-medical furniture, as well as the internal development of movable assets (finishes, electromechanical equipment, and the power station).
- This contract shall take effect for a period of six years and six months from the date of signing the finance contract on 27 October 2021, with the group being granted a period of availability of a maximum of one year and six months ending on 31 December 2023, and a grace period (applied to payment of the asset) of one year and six months ending on 31 January 2024, and in the event that the entire financing amount is not withdrawn during the aforementioned availability period, the unwithdrawn portion will be automatically cancelled and the bank is not obligated to lend the Group any other amounts other than what has been withdrawn from the financing amount, with the exception of the third tranche belonging to Cleopatra Hospital Company, which amounts to 400 million Egyptian pounds, the withdrawal period is two years starting from the date of signing the contract, with a grace period of 18 months from the date of the first withdrawal from the tranche.
- The company is committed to paying the total financing amounting to 397,500,000 EGP in 20 quarterly instalments, Starts from January 2024 for the first trench amounting to EGP 97,500,000 EGP in January 2024 to October 2028, while the first installment of the second loan, amounting to 300,000,000 Egyptian pounds, will be due in October 2025 and will be available until July 2030 and the payment schedule is as follows:

Installment	First installment		Second installment	
	Amount	Due date	Amount	Due date
1 st installment	4,875,000	31/01/2024	15,000,000	30/10/2025
2 nd installment	4,875,000	30/04/2024	15,000,000	31/01/2026
3 rd installment	4,875,000	31/07/2024	15,000,000	30/04/2026
4 th installment	4,875,000	30/10/2024	15,000,000	31/07/2026
5 th installment	4,875,000	31/01/2025	15,000,000	30/10/2026
6 th installment	4,875,000	30/04/2025	15,000,000	31/01/2027
7 th installment	4,875,000	31/07/2025	15,000,000	30/04/2027
8 th installment	4,875,000	30/10/2025	15,000,000	31/07/2027
9 th installment	4,875,000	31/01/2026	15,000,000	30/10/2027
10 th installment	4,875,000	30/04/2026	15,000,000	31/01/2028
11 th installment	4,875,000	31/07/2026	15,000,000	30/04/2028
12 th installment	4,875,000	30/10/2026	15,000,000	31/07/2028
13 th installment	4,875,000	31/01/2027	15,000,000	30/10/2028
14 th installment	4,875,000	30/04/2027	15,000,000	31/01/2029
15 th installment	4,875,000	31/07/2027	15,000,000	30/04/2029
16 th installment	4,875,000	30/10/2027	15,000,000	31/07/2029
17 th installment	4,875,000	31/01/2028	15,000,000	30/10/2029
18 th installment	4,875,000	30/04/2028	15,000,000	31/01/2030
19 th installment	4,875,000	31/07/2028	15,000,000	30/04/2030
20 th installment	4,875,000	30/10/2028	15,000,000	31/07/2030

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15. Loans (continued)

(a) Financial ratios

According to the contract terms, the Company shall achieve the following financial ratios:

- The financial leverage of the Company shall not exceed 1.6.
- Debt service rate should not fall below 1.
- Liquidity rate should not fall below 1 starting from 31 December 2026.

Loans contain certain covenants. Breaching of these covenants in the future may lead to renegotiation. The administration monitors covenants, and in the event of a potential breach, the administration takes the necessary measures to ensure compliance. During 2025, the Company did not breach any of these covenants.

16. Bank overdrafts

	<u>2025</u>	<u>2024</u>
Bank overdrafts	391,325,194	302,160,797

The Company has obtained total credit limits in the form of bank overdrafts to finance working capital at an interest rate of 0.1% in addition to the lending rate announced by the Central Bank of Egypt. The total available credit limits amounted to EGP 430 million and the used amount of these credit limits at 31 December 2025 amounted to EGP 391,325,194 (EGP 302,160,797 at 31 December 2024).

17. Provisions

	<u>2025</u>	<u>2024</u>
Provision for human resources	12,782,907	9,104,459
Claims provision	48,744,985	46,544,985
	<u>61,527,892</u>	<u>55,649,444</u>

Provisions movement during the year is as follows:

	<u>Balance at the beginning of the year</u>	<u>Formed during the year</u>	<u>Utilised During the year</u>	<u>Provisions no longer required</u>	<u>Balance at the end of the year</u>
2025					
Provision for human resources	9,104,459	25,714,769	(10,000,486)	(12,035,835)	12,782,907
Claims provision	46,544,985	9,584,568	(7,384,568)	-	48,744,985
Total	<u>55,649,444</u>	<u>35,299,337</u>	<u>(17,385,054)</u>	<u>(12,035,835)</u>	<u>61,527,892</u>
2024					
Provision for human resources	6,532,685	17,123,069	(6,952,379)	(7,598,916)	9,104,459
Claims provision	3,015,836	45,657,346	(2,128,197)	-	46,544,985
Total	<u>9,548,521</u>	<u>62,780,415</u>	<u>(9,080,576)</u>	<u>(7,598,916)</u>	<u>55,649,444</u>

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - for the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

17. Provisions (continued)

(a) Provision for human resources

Other provisions for human resources include provisions for restructuring the Company's employees, provision for employee leave, and provision for benefits for employees over the age of 60 in accordance with the law.

(b) Claims provision

Other provisions represent the provisions for contingent liabilities of expected claims from some entities and parties with respect to the Company's activities. Usual information about the provisions made according to accounting standards was not disclosed, as the management believes that doing so may seriously affect the outcome of negotiations with such entities and authorities. The management reviews these provisions on a yearly basis, and the allocated amount is adjusted according to the latest updates, discussions and agreements with external parties.

18. Trade and other payables

	<u>2025</u>	<u>2024</u>
Trade and notes payable	263,102,437	211,027,688
Accrued expenses	252,673,438	166,851,265
Social insurances	5,008,889	4,141,753
Other creditors	23,553,390	20,045,667
	<u>544,338,154</u>	<u>402,066,373</u>

19. Lease liabilities

The Company has applied EAS 49 for leases as at 1 January 2021. The Company has applied the standard using the revised retrospective approach, and comparative figures have not been restated.

The weighted average of the incremental borrowing rate applied on the recognized lease liabilities at 1 January 2021 amounted to 11,15%.

Lease liabilities represent the present value of lease liabilities related to medical equipment acquired by one of the companies of the Company for leases and leases of premises, measured at the present value of the contractual lease payments discounted at an implicit rate of return of 11,15%.

The following is the undiscounted amount of the liabilities	<u>2025</u>	<u>2024</u>
Within 1 year	15,295,855	12,380,013
More than one year	35,297,641	42,428,369
	<u>50,593,496</u>	<u>54,808,382</u>
Present value		
Within 1 year	15,295,855	12,380,013
More than one year	23,218,690	30,526,476
	<u>38,514,545</u>	<u>42,906,489</u>

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

19. Lease liabilities (continued)

The lease liabilities are presented as follows:	<u>2025</u>	<u>2024</u>
Lease liabilities as at 31 December	42,906,489	49,943,749
Adjustments during the year	-	140,149
Additions during the year	4,313,372	-
Add: Interest charged during the year	5,580,675	5,492,039
(Less): Payments during the year	<u>(14,285,990)</u>	<u>(12,669,448)</u>
Lease liabilities on 31 December	<u>38,514,545</u>	<u>42,906,489</u>

20. Capital

The Company's paid-up capital amounts to EGP 724,725,042, distributed over 1,449,450,084 shares.

The shareholder structure at 31 December 2025 is as follows:

Name	<u>Ownership percentage</u>	<u>Number of shares</u>	<u>Nominal value</u>
Care Health Care	%32.01	464,000,000	232,000,000
MCI Capital partners for healthcare	%30.68	444,688,538	222,344,269
Goldman Sachs International	%5.10	73,971,205	36,985,603
Other shareholders	%32.21	466,790,341	233,395,170
Total	<u>%100</u>	<u>1,449,450,084</u>	<u>724,725,042</u>

The shareholder structure at 31 December 2024 is as follows:

Name	<u>Ownership percentage</u>	<u>Number of shares</u>	<u>Nominal value</u>
Care Health Care	32.10%	464,000,000	232,000,000
MCI Capital partners for healthcare	30.77%	444,688,538	222,344,269
Goldman Sachs International	5.12%	73,971,205	36,985,603
Other shareholders	32.01%	462,774,459	231,387,229
Total	<u>100%</u>	<u>1,445,434,202</u>	<u>722,717,101</u>

The Company purchased treasury shares, and the outstanding balance on 31 December 2025 is Nil (2024: EGP 5,589,973).

Capital Reduction: On July 17, 2025, the Company's General Assembly approved a reduction in the issued share capital by cancelling 1,648,577 treasury shares at their par value, totalling EGP 824,288.5. Following this cancellation, the issued share capital amounted to EGP 721,892,813.

Capital Increase: On September 8, 2025, the General Assembly approved an increase in the issued share capital by EGP 2,832,229, divided into 5,664,458 shares with a par value of EGP 0.5 per share. This increase was funded through retained earnings and was fully allocated to the Employees Incentive Plan for employees, managers, and executive board members.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - for the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

21. Employee reward plan

The employee share ownership plan balance is calculated on the basis of the difference between the weighted average price for the month prior to the date the units are granted and the month prior to the unit maturity date which is one year after the granting. The difference is multiplied by the number of units granted to each beneficiary and then divided by the price at maturity, which results the final shares of the beneficiary.

The estimated current value of the incentive and bonus program for a period of three years is EGP 487,359,928 (the estimated dues per year are EGP 106.661.048), and the estimated value for the period recorded in equity is EGP 32,699,497.

22. Reserves

	<u>2025</u>	<u>2024</u>
Legal reserve	144,367,635	123,765,376
Special reserve	47,379,722	47,379,722
Other reserves	59,709,719	17,677,991
Total	<u>251,457,076</u>	<u>188,823,089</u>

22.1 Legal reserve

In accordance with the companies' law number 159 of 1981 and the Company's Articles of Association, 5% of the net profit for the year is transferred to the legal reserve account. Based on a proposal by the Board of Directors, this transfer may be partially discontinued if the legal reserve reaches 50% of the capital. The legal reserve is not distributable to shareholders.

The following is a statement of the legal reserve movement during the year:

	<u>Balance at the beginning of the year</u>	<u>Formed during the year</u>	<u>Balance at the end of the year</u>
2025			
Legal reserve	123,765,376	20,602,259	144,367,635
Total	<u>123,765,376</u>	<u>20,602,259</u>	<u>144,367,635</u>
2024			
Legal reserve	110,640,352	13,125,024	123,765,376
Total	<u>110,640,352</u>	<u>13,125,024</u>	<u>123,765,376</u>

22.2 Special Reserve

The special reserve represents the amount due to CARE Healthcare (shareholder) under its commitment letter issued on 12 April 2016, both parties agreed that this amount will not be claimed unless the Company is dissolved or liquidated voluntarily or for any other legal reason. In that case, the debt amount is divided among the outstanding shareholders of the Company upon liquidation or dissolution each in proportion of what they own of shares in the capital of the Company to the total number of issued shares. Accordingly, this amount was recorded as a special reserve within equity.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - for the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

22. Reserves (continued)

22.2 Special Reserve (continued)

The following is a statement of the special reserve movement during the year:

	Balance at the beginning of the year	Formed during the year	Balance at the end of the year
2025			
Special reserve	47,379,722	-	47,379,722
Total	47,379,722	-	47,379,722
2024			
Special reserve	47,379,722	-	47,379,722
Total	47,379,722	-	47,379,722

22.3 Other reserves

During the year, the Company effected a capital increase through the issuance of additional shares. Subsequently, the total shares were transferred to (ESOP) at the spot rate. This transaction was executed as part of the Company's Employee Stock Ownership Plan (ESOP) to incentivize and retain employees by aligning their interests with the Company's performance. The difference between the nominal value of the shares issued and the sale price has been recorded in a special reserve within equity, in accordance with Egyptian accounting standards. The amount represents the amount transferred from the issue premium in accordance with the requirements of Law No. 159 of 1981, in addition to the difference between the purchase price of treasury shares and the sale price.

The following is a statement of the other reserves movement during the year:

	Balance at the beginning of the year	Formed during the year	Balance at the end of the year
2025			
Other reserves	17,677,991	42,031,728	59,709,719
	17,677,991	42,031,728	59,709,719
2024			
Other reserves	13,942,555	3,735,436	17,677,991
	13,942,555	3,735,436	17,677,991

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the separate financial statements - for the financial year ended 31 December 2025

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

23. Revenue

	<u>2025</u>	<u>2024</u>
Residency and medical supervision revenue	588,796,238	514,224,935
Surgeries revenue	492,515,780	402,041,113
Laboratories revenue	327,143,177	209,716,576
Outpatient clinics revenue	281,366,754	200,572,392
Radiology revenue	254,049,136	158,076,571
Pharmacy revenue	221,423,557	151,686,723
Services revenue*	197,578,187	159,778,603
Emergency revenue	152,125,652	98,750,878
Cardiac catheterization revenue	145,447,795	139,733,826
Physiotherapy revenue	40,145,229	31,802,766
Cardiac tests revenue	37,807,407	23,756,516
Binoculars revenue	26,799,239	21,019,693
Dentist revenue	14,495,025	13,869,591
Other divisions revenue	31,732,803	22,814,866
	<u>2,811,425,979</u>	<u>2,147,845,049</u>

* The Service Fee does not represent a separate performance obligation but rather an incremental cost with fixed percentage applied to all revenue flows except the sale of medicines.

All types of revenues are recognized at a point in time except for residency and medical supervision, which are recognized over time, as shown as follows:

	<u>2025</u>	<u>2024</u>
At a certain point in time	2,222,629,741	1,633,620,114
It is recognized over time,	588,796,238	514,224,935
	<u>2,811,425,979</u>	<u>2,147,845,049</u>

24. Cost of obtaining revenue

	<u>2025</u>	<u>2024</u>
Medical and pharmaceutical supplies	587,567,905	415,335,687
Employees' wages, salaries and benefits	381,909,540	300,554,374
Doctors' fees	327,503,520	281,976,657
Maintenance, spare parts and energy expenses	62,717,820	55,552,436
Depreciation of fixed assets	55,834,342	40,720,362
Services from others	33,669,554	28,198,092
Consumables costs	33,191,505	31,049,432
Depreciation of right-of-use	1,743,048	1,576,323
Miscellaneous expenses	59,253,543	55,154,417
Less: The quota of the Group's companies in the Company's expenses	<u>(23,995,860)</u>	<u>(14,235,808)</u>
	<u>1,519,394,917</u>	<u>1,195,881,972</u>

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

25. General and administrative expenses

	<u>2025</u>	<u>2024</u>
Employees' wages, salaries and benefits	396,208,311	241,969,816
IT programs expenses	50,078,575	22,645,102
Services from others	24,422,806	18,118,396
Marketing expenses	23,907,872	20,734,238
Professional fees and consultations	22,658,274	17,448,448
Depreciation of fixed assets	13,688,548	16,298,214
Maintenance, spare parts and energy expenses	8,363,274	5,898,534
Depreciation of right of use	7,622,088	7,285,442
Consumables costs	2,314,453	2,925,217
Miscellaneous expenses	55,015,034	35,695,244
Less: The quota of the Group's companies in the Company's expenses	<u>(207,445,788)</u>	<u>(112,043,754)</u>
	<u>396,833,447</u>	<u>276,974,897</u>

26. Expenses by nature

	<u>2025</u>	<u>2024</u>
Employees' wages, salaries and benefits	778,117,851	542,524,190
Medical and pharmaceutical supplies	587,567,905	415,335,687
Doctors' fees	327,503,520	281,976,657
Maintenance, spare parts and energy expenses	71,081,094	61,450,970
Depreciation of fixed assets	69,522,890	57,018,576
Services from others	58,092,360	46,316,488
IT programs expenses	50,078,575	22,645,102
Consumables costs	35,505,958	33,974,649
Marketing expenses	23,907,872	20,734,238
Depreciation of right of use	9,365,136	8,861,765
Miscellaneous expenses	210,913,299	151,677,449
Less: The quota of the Group's companies in the Company's expenses	<u>(231,441,648)</u>	<u>(126,279,562)</u>
	<u>1,916,228,364</u>	<u>1,472,856,869</u>

27. Expected credit losses - financial assets

	<u>2025</u>	<u>2024</u>
Expected credit losses of trade receivables	45,825,060	18,669,285
Expected credit losses (reversal) of cash	<u>(86,851)</u>	<u>(205,721)</u>
	<u>45,738,209</u>	<u>18,463,564</u>

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

28. Other revenues

	<u>2025</u>	<u>2024</u>
Gains on sale of fixed assets	1,817,821	1,412,489
Leases	6,270,964	6,563,872
Miscellaneous revenues	2,232,369	14,775,745
	<u>10,321,154</u>	<u>22,752,106</u>

29. Finance expenses

	<u>2025</u>	<u>2024</u>
Finance income		
Interest income	10,276,114	7,205,586
Foreign currency valuation	(1,371,963)	15,028,718
Total finance income	<u>8,904,151</u>	<u>22,234,304</u>
Finance expenses		
Interests expense - credit facilities	(108,900,746)	(97,507,895)
Interests expense - Leases	(5,580,675)	(5,492,039)
Total finance expenses	<u>(114,481,421)</u>	<u>(102,999,934)</u>
Net finance income/ expenses	<u>(105,577,270)</u>	<u>(80,765,630)</u>

30. Income tax

	<u>2025</u>	<u>2024</u>
Current tax	176,578,940	127,470,474
Deferred tax	(1,856,840)	2,909,024
	<u>174,722,100</u>	<u>130,379,498</u>

The tax on profit before tax theoretically differs from the amount expected to be earned by applying the average tax rate that is applicable to the profits of the Company as follows:

	<u>2025</u>	<u>2024</u>
Net profit before tax	<u>730,609,788</u>	<u>542,424,690</u>
Income tax calculated at the applicable local tax rate	164,387,202	122,045,555
Add (less):		
Expenses not recognized	14,981,232	9,125,165
Non-taxable revenues	(4,646,334)	(791,222)
Income tax	<u>174,722,100</u>	<u>130,379,498</u>
Effective tax rate	<u>%23.91</u>	<u>24.04%</u>

Current income tax liabilities

	<u>2025</u>	<u>2024</u>
Balance at 1 January	103,963,019	42,255,232
Payments during the year	(96,768,594)	(31,847,295)
Tax for the year	176,578,940	127,470,474
Paid under tax account	(45,245,100)	(33,915,392)
	<u>138,528,265</u>	<u>103,963,019</u>

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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31. Deferred tax

	<u>2025</u>	<u>2024</u>
<u>Deferred tax assets</u>		
Provisions (other than claims provision)	2,876,154	2,048,503
<u>Deferred tax liabilities</u>		
Depreciation of fixed assets	(14,189,281)	(15,218,470)
Deferred tax - liability	<u>(11,313,127)</u>	<u>(13,169,967)</u>

The movement on the deferred tax account is as follows:

	<u>2025</u>	<u>2024</u>
Deferred tax assets		
Balance at 1 January	2,048,503	1,469,854
Charged to the statement of profit or loss	827,651	578,649
Balance at the end of the year	<u>2,876,154</u>	<u>2,048,503</u>
Deferred tax liabilities		
Balance at 1 January	(15,218,470)	(11,730,797)
Charged to the statement of profit or loss	1,029,189	(3,487,673)
Balance at the end of the year	<u>(14,189,281)</u>	<u>(15,218,470)</u>
Net deferred tax liabilities	<u>(11,313,127)</u>	<u>(13,169,967)</u>

32. Earnings per share

Basic earnings per share for the year is calculated by dividing the net profit of the Company's shareholders for the year by the weighted average number of shares outstanding during the year after derecognising employees' dividends.

	<u>2025</u>	<u>2024</u>
Profit for the year	555,887,688	412,045,192
(Less): Dividends of employees and the Board of Directors	(122,724,240)	(119,840,201)
	<u>433,163,448</u>	<u>292,204,991</u>
Weighted average number of ordinary shares for the purpose of basic earnings of the share.	1,441,509,083	1,441,509,083
The weighted average number of ordinary shares for the purpose of the employee reward plan	2,298,783	2,298,783
Weighted average number of ordinary shares for the purpose of diluted earnings of the share.	<u>1,443,807,866</u>	<u>1,443,807,866</u>
Basic earnings per share	0.30	0.20
Diluted earnings per share	<u>0.30</u>	<u>0.20</u>

Weighted average number of shares shall be adjusted to take into account shares held under the bonus and incentive plan for employees, directors and executive members of the Board of Directors.

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33. Transactions with related parties

During the year, the Company made transactions with certain related parties. The balances with related parties at the date of the financial statements, as well as transactions during the year are as follows:

Statement of financial position balances

Name of the Company	Nature of transaction	Value of transaction	Balance due From (to) 31 December 2025	Balance due From (to) 31 December 2024
Nile Badrawy Hospital Company (Subsidiary)	The quota of the Group's companies in the Company's expenses *	57,012,052	-	2,620,442
	Revenue	27,703,173	-	-
	Expenses	5,913,975	-	-
	Amounts paid on behalf of the Company	(3,062,180)	(3,062,180)	-
Cairo Specialized Hospital Company (subsidiary)	The quota of the Group's companies in the Company's expenses	84,610,207	-	(1,708,190)
	Revenue	18,720,758	-	-
	Expenses	10,802,506	-	-
	Amounts paid on behalf of the Company	(218,389,981)	(220,098,171)	(1,708,190)
Al Shorouk Hospital (subsidiary)	The quota of the Group's companies in the Company's expenses *	58,898,196	-	-
	Revenue	11,309,920	-	-
	Expenses	20,638,105	-	-
	Amounts paid on behalf of the Company	(176,286,443)	(272,504,461)	(96,218,018)
CHG Medical Services (subsidiary)	Amounts paid on behalf of the Company	(13,163,702)	34,944,268	48,107,970
	Revenue	15,801,946	-	-
	Expenses	12,091,705	-	-
CHG Pharma for Pharmacies Management (Subsidiary)	Amounts paid on behalf of the Company	(2,617,048)	852,944	3,469,991
	Revenue	687,501	-	-
Other parties	Expenses paid on behalf of related parties	-	256,190	256,190
CHG for Hospitals Company	Management fees	519,080	(18,691,245)	(19,210,325)
New Bedaya Hospital Management Company	Expenses paid on behalf of the Company	1,252,865	(28,812,469)	(30,065,334)
	The quota of the Group's companies in the Company's expenses *	9,220,378	-	-
	Revenue	4,349,445	-	-
CHG SKY Hospital S.A.E	Expenses paid on behalf of the Company	477,037,679	492,907,489	15,869,810
Cleopatra Heaven Company S.A.E.	Expenses paid on behalf of the Company	34,382,068	119,844,987	85,462,919
	The quota of the Group's companies in the Company's expenses *	21,700,817	-	-
	Revenue	5,429,752	-	-
	Expenses	1,836,569	-	-
			105,637,352	8,585,455

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(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

33. Transactions with related parties (continued)

- During 2017, Cleopatra Hospital Company signed an agreement with its subsidiaries. Under this contract, the Company distributes the costs of joint activities to the Group companies according to the percentages related to the revenues achieved by each company.
- This agreement was approved by the Group's subsidiaries boards of directors and their General Assemblies.
- Transactions with related parties are represented through the sale, purchase or exchange of services. Prices, policies and conditions related to these operations are approved by the Company's management and are on the same basis as dealing with others.

34. Tax position

Cleopatra Hospital Company

First: Fund corporates tax

- The inspection was made till 31 December 2019, and the settlement and the full payment were made.
- In 2020, the inspection and the payment were made, and the settlement is in progress.
- The tax return for the years 2021 and 2022 and 2023 and 2024 was submitted on the legally specified dates.

Second: Salaries tax

- The inspection was made till 31 December 2019, and the settlement and the full payment were made.
- The years 2020 and 2021 and 2022 was inspected and the principal tax was paid.
- Salaries adjustments and 4 salary models for the year 2023 and 2024 were submitted on the legally specified dates.

Third: Stamp tax

- Inspection and payment were made until 31 July 2006.
- The inspection and payment were made till the year 2020 and the settlement is in progress.

Fourth: Value added tax

- The inspection was made till 31 December 2004.
- Sales tax for the years from 2005 to 2022 was inspected and the inspection differences were paid.
- Monthly returns are submitted within the legal deadlines.

35. Commitments

Capital Commitments:

Capital commitments at the end of the financial year, which have not yet due, amounted to EGP 120,850,038 (2024: EGP 9,202,056) represented in commitments related to the purchase of fixed assets and projects in progress.

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36. Other liabilities

The present value of the cash portion of the remaining transaction value on the date of the transaction was estimated at EGP 14,485,000 and EGP 10,000,000 of this balance to be repaid to Dr. Ismail Aboul Fotouh in 2022.

37. Treasury shares

On July 17, 2025, the Company's General Assembly approved a reduction in the issued share capital through the cancellation of 1,648,577 treasury shares at their par value, amounting to a total of EGP 824,288."

38. Significant and subsequent events

(a) A settlement agreement regarding the land of the Nile Badrawi Hospital

On 13 February 2020, Cleopatra Hospital Company, the General Authority for River Transportation, the Nile Badrawi Hospital, and the inheritors of the Engineer Hassan Badrawy signed a comprehensive and final settlement agreement, according to which it was agreed to resolve, settle, and end all disputes and claims related to the land on which the Nile Badrawy Hospital was built. The total settlement amounted to EGP 36 million, noting that part of the settlement falls within the limits of the amounts deducted from the selling price of Nile Badrawy Hospital shares in favor of Cleopatra Hospital. It has been agreed upon a waiver of disputes between the General Authority for River Transportation Company and the Nile Badrawy Hospital that each of them raises concerning the land subject to settlement. On 31 March 2021, the Administrative Court issued a ruling that the case was accepted in form and rejected in substance. Cairo Governorate and the Nile Badrawy Hospital appealed the aforementioned ruling before the Supreme Administrative Court, and a hearing was determined on 21 September 2022, for both parties to submit settlement contracts executed between the parties. The consideration of the appeal has been deferred to a hearing on 7 February 2024, to take intervention procedures of the heirs of the late Hassan Badrawi, and to review notes for whomever wants. The appeal has been postponed until response the defence memorandum. It was postponed to 26 May 2026 to resubmit the settlement agreement .

(b) Movements in exchange rates for the Egyptian pound

On October 2, 2025, the Central Bank of Egypt (CBE) reduced the overnight deposit and lending rates, as well as the rate of the main operation, by 100 basis points to reach 21.0%, 22.0%, and 21.5%, respectively. Additionally, the discount and credit rate was reduced by 100 basis points to stand at 21.5%."

On December 25, 2025, the Central Bank of Egypt (CBE) reduced the overnight deposit and lending rates, along with the rate of the main operation, by 100 basis points to reach 20.0%, 21.0%, and 20.5%, respectively. Furthermore, the discount and credit rate was reduced by 100 basis points to stand at 20.5%."

On February 12, 2026, the overnight deposit and lending rates and the central bank's main operation rate were reduced by 100 basis points to 19%, 20%, and 19.5%, respectively. The discount and credit rates were also reduced by 100 basis points to 20.5%."